Moore Corporation Limited
1996 Annual Report

helping companies communicate through *print* and *digital* technologies

MOORE®
Smarter by design

Annual Meeting of Shareholders:
The Annual Meeting of Shareholders of Moore Corporation Limited will be held at the Design Exchange, 234 Bay Street, 2nd Floor – Trading Floor, Toronto, Canada on Thursday, the 24th day of April, 1997 at 10:00 a.m. Toronto time.

Business communications is defined as the design, manufacture, distribution and outsourcing of printed and electronic forms, labels and label systems, print management, variable-data billing statements, print software applications, data-based management and publishing, on-line systems, variable image bar coding, digital on-demand printing, marketing collateral, and outsourcing management of facilities, fulfillment, warehousing and distribution.

today, companies spend between 6% and 15% of their total revenues* producing and managing business communications

North American companies spend in excess of $200 billion annually on internal and external business communications. Such costs are usually not aggregated to one cost centre in a company, but spread across the enterprise. Emerging print and digital technologies offer new opportunities for leveraging these costs into bottom-line benefits. As businesses search for new strategic and competitive advantages, they seek innovative solutions that reach beyond present reengineering and marketing boundaries.

*Statistics based on reports from CAP Ventures, the Gartner Group and Ashburnham Group Consulting.

communicating to win means

reaching beyond standard solutions

and conventional marketing approaches

Before managers can choose appropriate business communications solutions, they must first ask and answer some fundamental questions about the ways in which their organizations communicate internally and externally. Are they targeting their customers on a one-to-one basis? Could they refine and use their databases to generate new revenue streams? Could they manage their assets to greater advantage? Do they have the core competencies to make these changes themselves? Are they exploring the creative use of outsourcing and vendor consolidation?

only Moore

can respond enterprise-wide

with the right blend of print and digital technologies

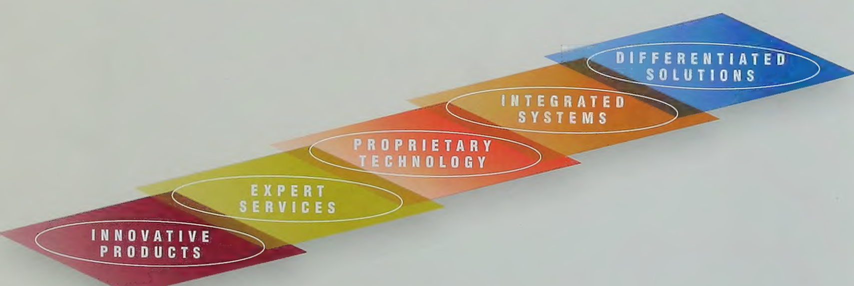
for each customer on a worldwide basis. The challenge is twofold: recognizing the opportunities and knowing how to capitalize on them. The first step is to establish a close working relationship with a partner who has the expertise to analyze business communications and identify opportunities across the entire organization. A partner whose people have expertise in the design, manufacture and delivery of value-added products and services, data-based marketing and outsourcing management. A professional team who can help companies grow revenues, manage assets and control costs. An industry leader like Moore.

only Moore

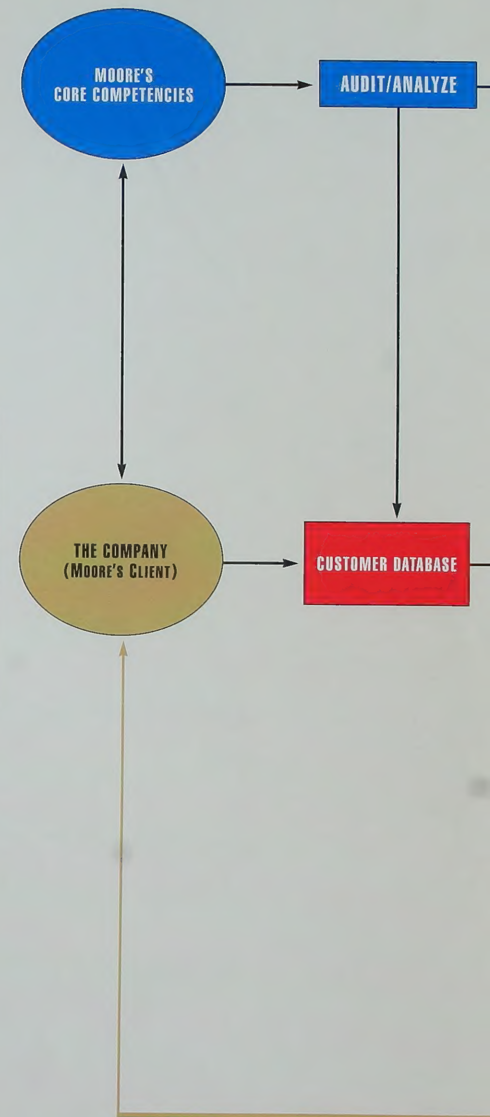
can create integrated, end-to-end solutions

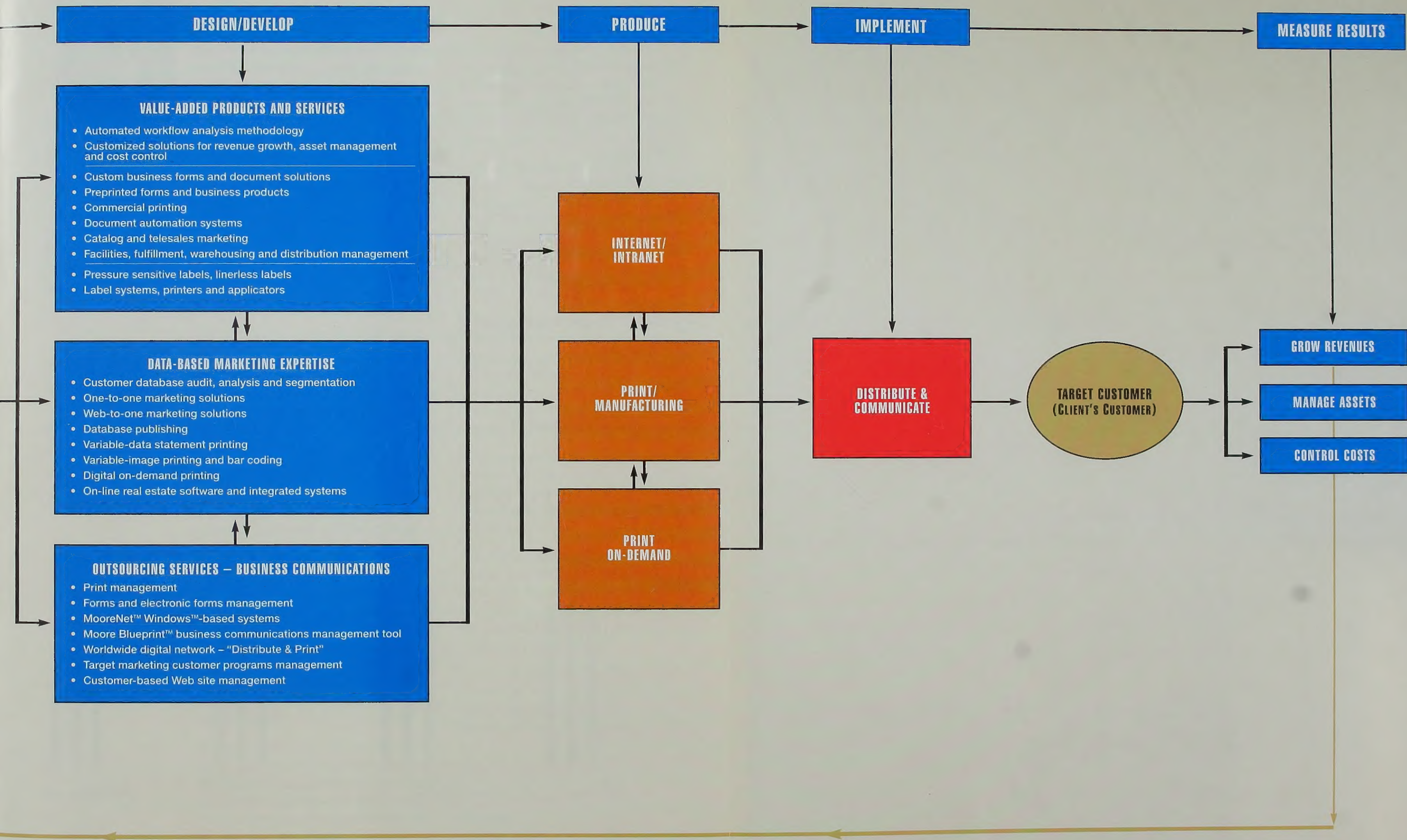
that increase competitiveness and profitability

Companies seek a consolidated, proactive approach to managing their business communications in an environment that demands a hybrid of paper and electronics. Moore leverages its worldwide resources and core competencies in workflow analysis, value-added products, data-based marketing and outsourcing services to provide a coordinated approach for customers. In so doing, Moore delivers differentiated end-to-end solutions that focus on the right message to the right audience. Moore's unique approach to increasing customer competitiveness and profitability also generates greater market share and increased revenue for itself.



Business Communications Architecture for Success Moore offers an unparalleled worldwide network of sales and service professionals, manufacturing facilities, alliances and partnerships to help companies leverage their business communications through print and digital technologies. Moore's investment in technology, combined with its commitment to superior quality and cycle time, provides customers and Moore with a competitive advantage in the marketplace.

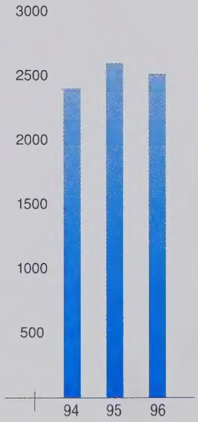



DESIGN/DEVELOP
PRODUCE
IMPLEMENT
MEASURE RESULTS
VALUE-ADDED PRODUCTS AND SERVICES
• Automated workflow analysis methodology
• Customized solutions for revenue growth, asset management and cost control
• Custom business forms and document solutions
• Preprinted forms and business products
• Commercial printing
• Document automation systems
• Catalog and telesales marketing
• Facilities, fulfillment, warehousing and distribution management
• Pressure sensitive labels, linerless labels
• Label systems, printers and applicators
DATA-BASED MARKETING EXPERTISE
• Customer database audit, analysis and segmentation
• One-to-one marketing solutions
• Web-to-one marketing solutions
• Database publishing
• Variable-data statement printing
• Variable-image printing and bar coding
• Digital on-demand printing
• On-line real estate software and integrated systems
OUTSOURCING SERVICES – BUSINESS COMMUNICATIONS
• Print management
• Forms and electronic forms management
• MooreNet™ Windows™-based systems
• Moore Blueprint™ business communications management tool
• Worldwide digital network – "Distribute & Print"
• Target marketing customer programs management
• Customer-based Web site management
INTERNET/ INTRANET
PRINT/ MANUFACTURING
PRINT ON-DEMAND
DISTRIBUTE & COMMUNICATE
TARGET CUSTOMER (CLIENT'S CUSTOMER)
GROW REVENUES
MANAGE ASSETS
CONTROL COSTS

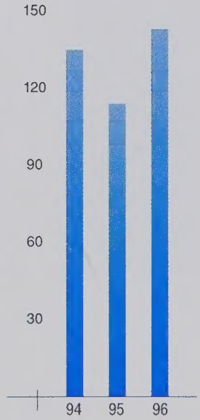
Financial Highlights

Expressed in United States currency and, except per share amounts, in millions of dollars

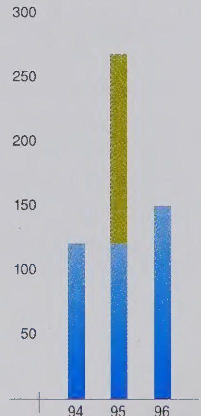
	1996	1995	1994
Consolidated statement of earnings			
Sales	$ 2,518	$ 2,602	$ 2,406
Income from operations	143	114	135
Per dollar of sales	5.7¢	4.4¢	5.6¢
Income taxes expense	49	124	44
Percentage of pre-tax earnings	24%	32%	26%
Net earnings	150	268	121
Per dollar of sales	6.0¢	10.3¢	5.0¢
Consolidated balance sheet			
Working capital	$ 884	$ 908	$ 563
Ratio of current assets to current liabilities	2.8:1	2.7:1	2.3:1
Capital employed in business	1,761	1,718	1,606
Return on capital employed	8.6%	16.1%	7.7%
Shareholders' equity	1,550	1,488	1,365
Return on shareholders' equity	9.9%	18.7%	9.1%
Total assets	2,224	2,236	2,031
Expenditure for property, plant and equipment	120	87	77
Per common share			
Net earnings	$ 1.50	$ 2.68	$ 1.22
Dividends declared	0.94	0.94	0.94
Shareholders' equity	15.49	14.90	13.71
Average shares outstanding (in thousands)	99,967	99,754	99,538



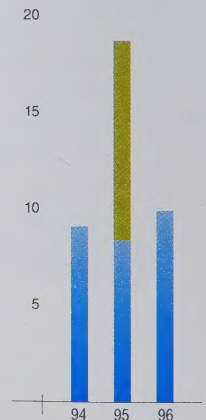
Sales
(millions of dollars)



Income from Operations
(millions of dollars)



Net Earnings
(millions of dollars)



Return on Shareholders' Equity
(%)

After-tax gain on sale of Toppan Moore shares

A word to

our Shareholders

Dear Shareholder,

Our principal objectives in 1996 were to improve operating productivity, achieve higher margins, and accelerate the development of leading-edge technologies. We made significant progress in all three areas, as shown by our improved operating earnings, and new technology-based products and service offerings.

Revenue of $2,518 million was equal to 1995 adjusting for divestments, acquisitions and foreign exchange fluctuations; income from operations of $143 million was up 26%; cash from operations of $290 million was up 40%; and net earnings of $1.50 per share compared with $2.68 last year ($1.21 excluding the gain on the sale of shares in Toppan Moore).

Our commitment to operational excellence is to be best in class in every aspect of our business. Our Fast Track Attack cycle time reduction program, now implemented worldwide, produced dramatic results in 1996. In the U.S., our manufacturing plants improved cycle time by 49%. On-time delivery to customers improved by 34%.

Our improved efficiencies have transferred directly to our customers, reducing their cycle times and enabling them to grow revenues, reduce costs and better manage their assets. In 1996, our customers expressed their appreciation by awarding Moore a record number of outsourcing and print management contracts.

In 1996, Moore invested over $55 million in bringing new print and digital products and services to market. We introduced 45 new products, a 67% increase over 1995. We accelerated the development of our leading-edge digital colour technologies, print software systems and Internet applications.

We acquired NEPS, Inc., a leading provider of network and enterprise software print solutions. We acquired three companies specializing in on-line real estate software, making Moore today the leading provider of real estate systems and solutions in North America.

We introduced MooreNet™, a Windows™-based technology that provides our customers with an integrated management information tool in a single desktop system. Introduced in July, MooreNet resulted in more than 37 new contracts and 17 installations by year end.

In 1996, we formed an alliance with KPN, the Dutch telecommunications company, to develop a new approach to one-to-one marketing based on combining telecommunications with our unique digital colour printing technology. Initial market testing indicates that this system will set new standards for consumer purchase response to catalog mailings.

In 1996, we continued strengthening our senior management team with the appointment of William Lowe as Executive Vice President of Moore Corporation and President of N.A. Business Systems; Clive Ingham as President of Moore Europe; and James Wyner as President of Labels and Label Systems.

We created a new division, Integrated Customer Solutions, with Charles Buchheit as President, to provide our largest customers with full outsourcing services for their business communications worldwide.

The progress of the past year shows that we are on the right track to becoming the industry leader in business communications solutions. With our clarity of direction, financial strength, and leading technologies, we expect to further accelerate our growth in 1997.

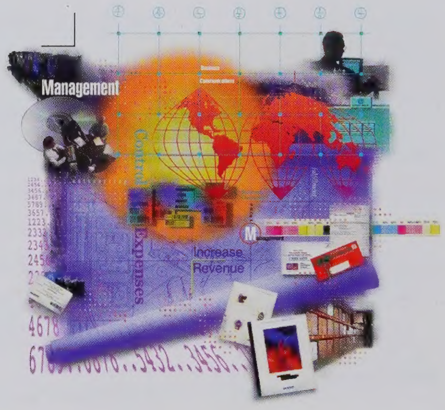
To all of our employees, customers, alliance partners and shareholders, we appreciate the support you have shown throughout 1996, and we count on your support in the year ahead.

Reto Braun
Chairman & CEO

highlights of 1996

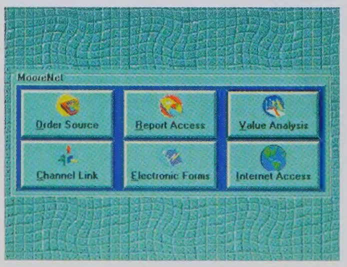
Moore's commitment to technology leadership continued in 1996 with significant infrastructure investments in state-of-the-art digital presses and the introduction of new, technology-rich products and services.

Delivering technology improvements for customers



In October, Moore launched **Moore BluePrint™**, a strategic initiative that helps customers improve results by increasing revenues, controlling costs and managing assets. Moore BluePrint service provides a framework for effectively reorganizing and managing all aspects of business communications, and is backed by a 100% satisfaction guarantee.

In July, Moore launched **MooreNet™**, the first integrated system to offer a full array of business communications management functions in a single desktop computer system. As part of Moore's technology platform, MooreNet provides customers with optimal control over business communications management while yielding reduced processing and administrative costs and improved operational efficiency.



The acquisition of **NEPS, Inc.**, a leading provider of network and enterprise software printing solutions, was a key element in Moore's technology strategy. NEPS's powerful file conversion capabilities electronically manage a company's document databases. The NEPS acquisition enhances Moore's ability to partner with customers to design and develop systems that manage print streams through a variety of output devices.

In 1996, Moore announced a multi-year purchase contract for **Muller Martini Concept** digital presses throughout Moore's operations, beginning in North America. The presses serve the worldwide just-in-time, print-on-demand market. In 1997, in addition to the continuing installations in North America, they will be installed at Moore facilities in Europe, Latin America and Asia Pacific, including China.

Serving clients worldwide with new operations and alliances

To better serve global clients, Moore expanded its international operations in Argentina and began construction of a labels manufacturing facility in China through a joint venture with **Hong Leong Group**.

The joint venture in China will manufacture and market pressure sensitive labels and integrated bar coding systems for the Chinese market.

Moore Argentina was formed after the acquisition of a portion of the assets of **Rotativos Venus**, one of Argentina's leading print management companies. The new company will expand Moore's presence in Latin America and provide our global clients with Moore products and services in one of the continent's fastest-growing markets.

Moore formed a strategic alliance with **Xerox** to provide integrated solutions for customers in document-intensive industries such as insurance, banking, healthcare and telecommunications. The alliance combines Moore's innovative software and document-finishing capabilities with Xerox's extensive line of production printers to develop end-to-end document output solutions for customers of both companies worldwide.

Expanded real estate offerings add competitive advantage

Moore is the premier provider of real estate solutions for Multiple Listing Services (MLS) brokers and agents across North America. Through a series of acquisitions, alliances and new product developments and services, Moore provides the real estate industry with a complete set of tools from one reliable source to meet their customers' needs and help them gain a competitive advantage.

Two key strategic alliances were announced: **SchoolMatch** and **Ameritech**. The SchoolMatch alliance provides home buyers with high-quality, auditable school information on all U.S. public school systems as well as private and parochial schools, and American-accredited international schools in 60 countries. The Ameritech alliance combines Moore's CyberHomes with Ameritech's Internet Yellow Pages, and helps consumers plan a residential move from the comfort of their homes.

During 1996, Moore acquired **On-Line Software**, **Boris Systems** and **US Recognition**. On-Line Software provides front and back-office productivity software solutions. Boris and US Recognition provide MLS software and add to the ways in which Moore helps agents and brokers reduce sales cycle time by giving them better access to comprehensive MLS data.

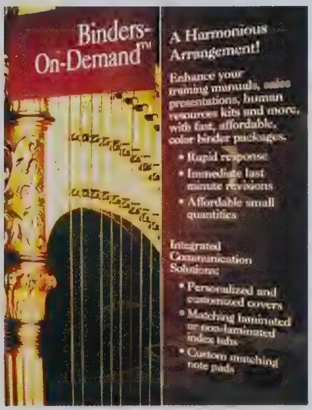
CyberHomes™, Moore's Internet property listing service, and **Landmark™ Vista** were launched in 1996. In addition, two new software products, **Front Office Manager** and **Back Office Manager,** were added to Moore's line of productivity management software for the real estate industry. New Internet-enabled desktop software was demonstrated at the National Association of Realtors trade show in November, 1996.

AWARDS confirm operational excellence

ISO 9000

In 1996, Moore aggressively continued its efforts to achieve ISO 9000 quality certification at all of its facilities worldwide. Moore Document Automation Systems business unit demonstrated leadership by achieving ISO 9001 certification for its facility in Dover, New Hampshire. Moore is the first equipment manufacturer in the U.S. forms industry to be ISO 9000 certified.

Moore won a number of awards in 1996, acknowledging the company's continued commitment to operational excellence. At the 1996 On-Demand Digital Printing and Publishing Conference, Moore was honored with the **Distinguished Achievement Award** for the development of the Binder-On-Demand service.



The United States Postal Service (USPS) selected Moore for its coveted **Sales Partner Award,** which recognizes Moore's development of business opportunities that benefit those customers served mutually by USPS and Moore.

Moore Mexico received the prestigious **Quality Leader Certificate** from Cervecería Cuauhtemoc of Monterrey, Mexico for excellence in product and service quality as well as innovation. Only eight suppliers were selected out of 500 contenders from Latin America, the United States and Europe.

Our profitability has gone up as a direct result of working with Moore

Steve Wigginton, Director,
Consumer Marketing,
American Express Publishing

LOWERING COSTS AND INCREASING REVENUES THROUGH PERSONALIZED DIRECT MAIL

Acquiring new subscribers for **American Express Publishing's** *Food & Wine* and *Travel & Leisure* magazines while lowering the per-acquisition cost was the challenge. Acting as an in-house direct mail agency, Moore delivered, against targeted results, innovative, personalized direct mail programs that have resulted in lower costs, higher response, and increased revenues.

Moore also creates and produces subscriber acquisition programs for the books division. Combined with the magazine mailings, Moore produces and distributes millions of subscriber acquisition mailings for American Express Publishing. For both divisions, Moore provides a total end-to-end customer marketing solution, from planning to delivery.

PREVENTING FRAUD INCREASES REVENUES

The **Chamber of Notary Register** in Sao Paulo, Brazil was unable to prevent the falsifying of signatures through unauthorized photocopying of documents and signatures. Moore designed, created and manufactured a security label with a numismatic background, hologram and perforations. If tampered with, the label rips.

The innovative Moore security label reduces potential fraud and increases revenue for the State of Sao Paulo Justice Department, which collects a percentage of the Notary Register fee. Moore's comprehensive solution has led to other applications for authenticity labels in various products and manuals.

FLEXIBILITY AND SPEED IMPROVE CASH FLOW

One of the largest providers of cellular service in the United States, **AirTouch Cellular** produces 1.5 million invoices monthly. Moore can deliver the high-speed personalized printing in several output formats with multiple billing cycles each month. AirTouch transmits the invoicing data to Moore's facility daily and invoices are produced within 24 hours.

The combination of Moore's processing, technology and people enables AirTouch to insert numerous marketing and new product messages in each monthly billing envelope. Invoices are sent out sooner, resulting in improved cash flow and new revenue opportunities.

THE ULTIMATE IN ONE-TO-ONE MARKETING

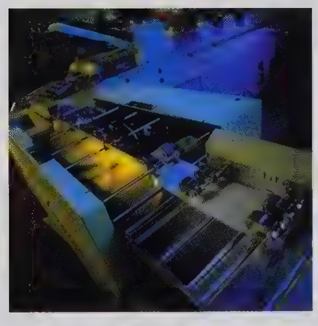
Moore and **KPN**, the Netherlands-based telecommunications company, launched a first-of-its-kind service that enables Dutch consumers to shop and compare products and services such as electronics, home furnishings, travel destinations and financial services. After dialing a special telephone number and indicating preferences, a personalized, four-colour catalog is delivered within 48 hours to the consumer's home.

The service integrates sophisticated databases with print-on-demand and telecommunications technologies. Companies advertising in the catalogs develop one-to-one relationships with target consumers, who are predisposed to purchase goods and services.

Initial consumer market testing resulted in 45% of consumers making a purchase within 60 days of ordering a catalog.

I need the electric lights to run my company, but do I need to run the utility to get the lights?

Richard Huber,
Vice Chairman, Aetna



OUTSOURCING PARTNERSHIP CREATES A WIN-WIN SOLUTION

In 1996, Aetna formed a strategic partnership with Moore for the outsourcing of its print management requirements. Moore purchased the assets, retained the employees and integrated the Aetna facility within Moore's operations.

Through blended applications, including forms, commercial and digital printing, Moore delivers integrated business communications products and solutions to Aetna and its customers.

Moore manages the majority of Aetna's printing requirements and Aetna gets the best products without having to own and operate a printing facility: a true win-win situation.

FOCUSING ON ITS CORE BUSINESS

Scotiabank

Scotiabank, one of Canada's leading financial institutions, has always demonstrated leadership in the banking industry. In a landmark partnership, Scotiabank chose Moore as its partner for all of its print management needs, including business forms and document production, warehousing and distribution, and on-demand printing services.

Scotiabank's printing costs and cycle times have been cut substantially, leaving the bank to focus on its core business activities. Moore is also assisting the bank with the development and implementation of electronic forms and print-on-demand systems for its entire branch network.

REDUCING CYCLE TIME FROM WEEKS TO DAYS

Reducing product distribution cycle time was one key feature of a new linerless label program designed specifically for **Levi Strauss & Co.**

Moore and Levi Strauss have worked together for 11 years. To support Levi's investment in three new state-of-the-art distribution centres, Moore created a new linerless label system employing both desktop and portable linerless label printers. The new label program is an important feature of Levi's redesigned warehouse and distribution system. Another key objective was the elimination of liner waste. Approximately 250,000 pounds of liner waste will not go to landfills.

The linerless label solution successfully addresses concerns about waste in the distribution centres while improving product distribution cycle time.

CONTROLLING OPERATING COSTS AND IMPROVING CYCLE TIME

Meridia Health System, one of the largest health care systems in Greater Cleveland, selected Moore to help control costs without compromising patient care through a comprehensive print management program and an improved patient billing system.

Moore's print management program includes a direct line to a Moore printing facility, a pick-and-pack inventory system, the design and production of marketing collateral, and patient information and mailing services.

Moore improved the patient billing system by installing a direct digital link to a Moore facility, taking advantage of state-of-the-art digital processing technology and Moore's proprietary Intelligent Imaging™ system. As a result, Moore improved the readability of the statements, reduced cycle time, streamlined processing of billing statements and reduced costs by 9%.

The contract will result in *projected* savings of $2 million a year

David DenBaas,
Vice President and
Purchasing Director,
ComericA

SAVINGS GUARANTEED

The spiraling cost of running a full-service in-house print facility was a major concern to **Comerica,** a $34-billion bank holding company. After reviewing the potential savings of outsourcing the company's print management activities, Comerica chose Moore to manage all aspects of the operation, including equipment and staff.

In the Document Management Center, Moore's leading-edge MooreNet™ technology enhances the reporting, analysis and management of Comerica's business communications.

The outsourcing solution enables Comerica to focus on its core business activities while Moore delivers guaranteed cost savings.

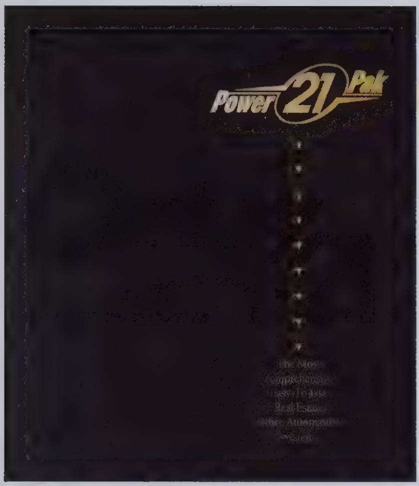
INTEGRATED SOLUTION IMPROVES DELIVERY SYSTEM

Passports Australia was looking for effective improvements in its passport renewal service.

Moore developed an integrated solution to provide applicants with a personalized renewal application and two kinds of labels, all contained in a specially designed, pressure seal self-mailer.

Under strict security, Moore manufactures a full-page personalized renewal notice containing all the information on the current passport. The applicant returns the completed application to Australia Post for processing. Moore's bar coding and label system automates identification and streamlines the process of mailing back the new passport.

The revised renewal process has decreased cycle time dramatically and improved the efficiency of delivering new Australian passports.



DELIVERING INFORMATION ON-LINE

Having the right information available when and where it's needed is one of the keys to success for the **CENTURY 21** system's 101,000 agents and brokers.

Moore has developed two software programs for agents and brokers. The programs automate and streamline the management of information for contracts, schedules, billing, trust management and statistical reporting.

With Moore's comprehensive real estate technologies, CENTURY 21 agents and brokers can reduce their sales cycle time.

IMPROVED TRACKING SYSTEM AT POINT-OF-SALE

When the number one supermarket retailer in France, **Carrefour**, expanded its consumer offerings beyond food distribution into financial services, consumer products and after-sales service, it needed a more effective system to track purchase orders, guarantees and service agreements.

Moore worked with Carrefour to design and print an integrated purchase order, safety guarantee and product brochure that keeps all product information together. This unique system provides Carrefour with instant point-of-sale data, thus significantly improving cycle time and costs.

ENVIRONMENT

Moore believes in safeguarding the environment for future generations and is committed to operating in compliance with applicable environmental laws and regulations. Moore's environmental strategies include minimizing the use of raw materials and energy, using recycled paper, and reducing waste.

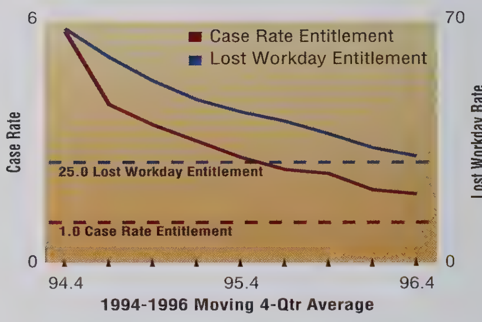
Moore is pleased to partner with one of its important customers – Levi Strauss & Co. – by using paper that contains 100% reclaimed denim, in the production of our 1996 Financial Review and Management's Discussion and Analysis pages.

Levi Strauss, like Moore, has always set high standards for safeguarding the environment. Reclaiming scrap denim demonstrates leadership in developing viable full-circle recycling.

social responsibilities

HEALTH AND SAFETY

At Moore we believe the health and safety of every person is more important than any job or objective. In 1996, we focused our attention on training employees to work within established Health and Safety standards, resulting in a continuing trend of reduced injuries and lost work days.



CORPORATE CONTRIBUTIONS

In keeping with the tradition established by our founder, Samuel Moore, the Corporation and its employees continue to be involved in community activities as well as providing support to the charitable and non-profit sector. Moore focuses contributions in four areas: children and families, education, community services, and arts and culture.

COMMUNITY OUTREACH

Moore believes in giving something back to the communities in which our employees live and work. In August, Moore employees launched the first Community Outreach Program in partnership with the municipality of Mississauga, Ontario. Approximately 450 Moore employees and their families spent a day cleaning Mississauga Valley Park and river, and planting more than 400 trees.

Moore employees demonstrate their community leadership through innovative approaches in raising awareness and financial support for local charities. Such was the case with Larry Fletcher, a Moore employee in Columbus, Ohio, who raised $3,000 for the Leukemia Society by running in two marathons.

In 1996, Moore also assisted three children of Moore employees to realize a life-long dream of competing in the Atlanta Olympics: Laura Niovich and Julie Jenkins represented the U.S. and Ana Carolina Itzaina represented Uruguay.

Management's Discussion and Analysis
of Results of Operations and Financial Condition

Results of Operations 1996/1995

In 1996, sales of $2,518 million (1995 – $2,602 million) declined by $84 million or 3%. Fourth quarter sales of $665 million (1995 – $694 million) decreased $29 million or 4%. After excluding the sales from businesses sold in 1995 and 1996 and foreign currency fluctuations in 1996, sales for the full year of 1996 equalled the 1995 level, in spite of substantial paper price reductions.

Cost of sales was 65.3% of sales in 1996 compared with 67.9% in 1995. The success of the Corporation's operational excellence programs and increased investments in short-run press technologies resulted in lower costs and improved cycle times to manufacture products. Aggressive management of inventories generated a LIFO credit in 1996 of $7 million. Paper price reductions generated a further LIFO credit of $12 million. In 1995, a LIFO charge of $1 million was incurred. In the fourth quarter of 1996, the cost of sales ratio was 64.1% (1995 – 69.0%). Aggressive inventory management and lower paper prices generated LIFO credits in the 1996 fourth quarter of $5 million and $6 million, respectively. In the 1995 fourth quarter, a LIFO charge of $7 million was incurred.

Selling, general and administrative costs in 1996 were $606 million, compared to $602 million in 1995. To increase the rate of growth within the Corporation, additional investments have been made in the sales and marketing organizations of growth businesses and in the information technology infrastructure. As a result of these selective investments, the ratio of selling, general and administrative expenses to sales in 1996 increased to 24.1%, compared with 23.1% in 1995. In the 1996 fourth quarter, the ratio increased to 24.6% or 2.2 percentage points above the 1995 level.

Capital asset amortization of $100 million in 1996 increased $8 million, compared with $92 million in 1995, due to the increased capital investments made during 1995 and 1996 to upgrade the Corporation's information and manufacturing technologies.

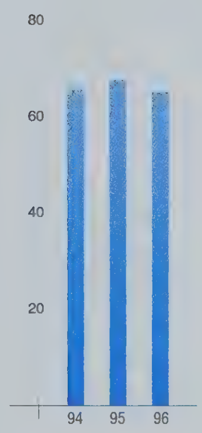
The Corporation invested $25 million in 1996 in the development of leading-edge technologies, compared with $28 million in 1995. The funds were mainly focused on variable production colour printing, pressure seal technology, software front-end systems, commercial linerless labels technology, high-resolution ink jet printing technologies, forms handling equipment solutions and the evolving uses of the Internet. In 1997, the Corporation expects to invest up to $34 million in research and development activities.

Income from operations for 1996 increased to $143 million or 26% from $114 million in 1995. Income from operations of the North American businesses increased 49% compared to 1995. Income from operations of the international businesses decreased in 1996 compared to 1995 primarily due to the continuing weak economies in Europe and Latin America.

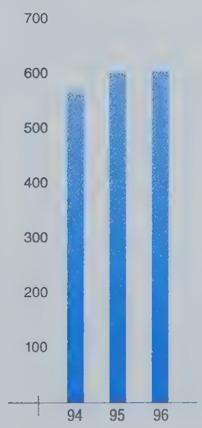
Investment and other income of $69 million in 1996 decreased from $292 million in 1995. In 1996, the Corporation recognized a pre-tax gain of $27 million on the sale of its JetForm Corporation ("JetForm") options. Included in investment and other income for 1995 was a $248 million pre-tax gain on the reduction of the Corporation's investment in Toppan Moore Company, Ltd. ("Toppan Moore").

The 1996 effective tax rate (the ratio of income taxes to earnings before taxes) was 24% and included the benefit of the lower tax rate attributable to the gain on the sale of the Corporation's JetForm options. The effective tax rate in 1995 was 32% including the gain on the Toppan Moore share sale, and 15% without the gain.

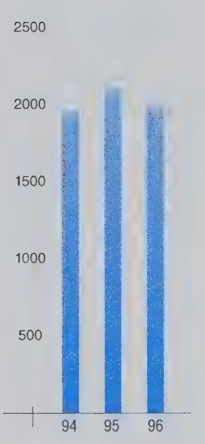
Net earnings in 1996 were $150 million or $1.50 per share compared with 1995 net earnings of $268 million or $2.68 per share. Included in 1996 net earnings is an after-tax gain of $25 million or $0.25 per share on the sale of the Corporation's options to acquire 51% of JetForm. During 1995, net earnings included an after-tax gain of $147 million or $1.47 per share realized



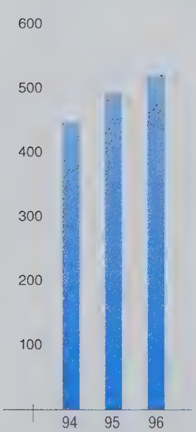
Cost of Goods Sold
(%)



Selling, General and Administrative Expenses
(millions of dollars)



Forms, Print Management and Related Product Sales
(millions of dollars)



Customer Communication Services Sales
(millions of dollars)

on the reduction of the Corporation's equity interest in Toppan Moore to 10%. For the fourth quarter of 1996, net earnings increased to $42 million or $0.42 per share from $22 million or $0.22 per share in 1995.

Forms, Print Management and Related Products ("Forms")

Forms sales in 1996 decreased to $1,996 million or 5% from 1995 sales of $2,108 million. Included in Forms sales are Label and Label Systems sales of $222 million, a 12% increase from 1995.

North American sales in 1996 were $1,398 million or 2% lower than 1995 sales of $1,432 million. Excluding divestitures, sales were almost at the 1995 level in spite of substantial paper price reductions.

Sales in Europe of $228 million in 1996 were $53 million or 19% below 1995 sales. Divestitures in 1996 and 1995 and the weakening of various European currencies in 1996 against the United States dollar represented almost 80% of the sales decrease.

Latin American sales in 1996 decreased to $183 million or 14% from 1995 sales of $213 million. The weakening of currencies in Brazil, Venezuela, Central America and Mexico against the United States dollar accounted for the lower sales level in 1996.

In Asia Pacific, sales of $187 million in 1996 were up 3% from 1995 sales of $182 million primarily due to the strengthening of the Australian dollar against the United States dollar.

Segment operating profit of $109 million in 1996 increased $28 million from the 1995 level of $81 million. The strong operating profit improvements in North America and Asia Pacific more than offset the profit reductions in Latin America and Europe. The 80% profit increase in North America reflected the positive impacts of reengineering the manufacturing and administrative processes, and the increased benefits of the LIFO inventory valuation. In Asia Pacific, the operating profit improvement was mainly attributable to the benefits of the prior year's restructuring programs in the manufacturing and administrative areas which lowered the overall cost base.

Customer Communication Services ("CCS")

CCS sales in 1996 represented 21% of the Corporation's total sales compared to 19% in 1995. In 1996, CCS sales of $522 million increased 6% from 1995 sales of $494 million. North American sales of $406 million in 1996 were up 12% from sales in 1995 of $361 million. Lower sales volumes in Latin America and Europe were caused by poor economic conditions, particularly in France and Brazil.

Volume growth in the North American business communication services and direct marketing services units resulted from increased sales to existing and new customers, including the benefits of new outsourcing contracts for print services.

Segmented operating profit in 1996 of $34 million increased $1 million or 3% from the 1995 level due to volume growth in North America, offset largely by the unfavourable effects of reduced volumes in the Latin American and European businesses.

Restructuring of Operations

1993 Restructuring Program Activity in 1996

The 1993 restructuring program was completed in 1996. The entire $21 million accrued restructuring balance at the 1995 year-end was utilized by expenditures to complete the reengineering of the order management system in North America, facility closure costs for unsold properties and lease sites, and severance continuation payments. The restructuring programs over the past several years have been successful in reducing the Corporation's cost structure. However, the benefits of the programs have been mitigated by the sales volume declines in the forms business.

Liquidity and Capital Resources

Current and future cash requirements including debt obligations continue to be predominately covered by internally generated funds supplemented by borrowing as required. At December 31, 1996, the Corporation's cash and short-term securities of $694 million consisted of time deposits ($538 million), cash ($36 million) and other money market instruments ($120 million).

Net cash resources decreased $37 million during 1996, principally from the $80 million of income tax payments arising from the sale in 1995 of the Corporation's 35% equity interest in Toppan Moore.

Improved asset management performance and higher net earnings resulted in cash generated from operations of $290 million in 1996, an increase of $83 million from 1995. Offsetting partly the increased cash generation was the payment of taxes during the first quarter of 1996 on the gain on the sale of the Toppan Moore equity interest.

The working capital ratio remained strong, improving to 2.8:1 in 1996 from 2.7:1 in 1995.

The Corporation had available unused lines of credit at December 31, 1996 of $1.3 billion for short-term financing. In support of the Corporation's growth program, a $1.1 billion syndicated credit facility has been arranged with 14 financial institutions in anticipation of financing future acquisitions and for general corporate purposes.

In 1996, the Corporation formed a new company in China called Moore Hong Leong Pressure Sensitive Labels & Systems Ltd. which is 49.9% owned by Moore. The joint venture manufactures and markets pressure sensitive labels and integrated bar coding systems. In April 1996, the Corporation acquired NEPS, Inc. which provides network and enterprise software printing solutions to manage document printing needs.

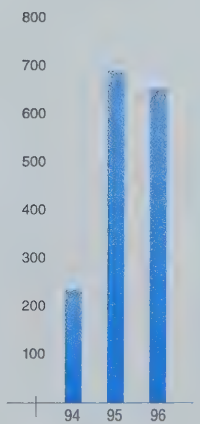
The Corporation also acquired in July 1996 On-Line Software Inc., which designs and develops full-featured software applications for the real estate industry, and in October 1996, Boris Systems Inc. and U.S. Recognition, Inc., providers of multiple listings software for the real estate industry. In November 1996, Moore Argentina S.A. acquired the print management business of Rotativos Venus S.A. in Argentina.

Capital expenditures were $120 million in 1996, mainly for machinery and equipment, compared with $87 million and $77 million in 1995 and 1994, respectively. Included in 1996 expenditures were $7 million of environmentally related expenditures (1995 – $5 million; 1994 – $6 million). Capital expenditures in 1997 are anticipated to reach $150 million. Additional print management outsourcing contracts in 1997 could also require investments of up to $50 million.

Results of Operations 1995/1994

Sales in 1995 of $2,602 million (1994 – $2,406 million) increased $196 million or 8%. Fourth quarter 1995 sales of $694 million (1994 – $631 million) increased $63 million or 10%.

Cost of sales increased 11% in 1995, mainly reflecting the higher levels of paper prices experienced since mid-1994. The Corporation raised prices in 1995 to pass on most paper price increases, which have ranged between 5% and 75%, depending on the paper grade and market. Cost of sales was also adversely impacted by a volume decline in the forms business. Cost of sales was 67.9% of sales in 1995 compared with 65.9% in 1994. The LIFO inventory valuation reduced earnings in 1995 by $1 million due primarily to rising paper prices, in contrast to an increase in earnings of $3 million in 1994. The adverse earnings effect of LIFO inventory valuations in 1995 was mitigated by $9 million through sales to third parties of the Corporation's rights to specific customer finished goods inventory in the United States.



Cash Resources
(millions of dollars)

In the fourth quarter of 1995, the cost of sales ratio was 69.0% (1994 – 66.6%). The LIFO inventory valuation increased cost of sales by $7 million, which increased the fourth quarter cost of sales ratio by 1.1 percentage points, compared with a small reduction in the corresponding period of 1994.

The ratio of selling, general and administrative expenses to sales in 1995 improved to 23.1%, a reduction from 23.6% in 1994. Selling, general and administrative costs in 1995 were $602 million compared to $568 million in 1994. The benefits of restructuring activities were offset by increased direct selling costs due to investments in growth markets, and higher information technology infrastructure spending in application and process flow reengineering. Work continued on the simplification of the order management system in North America, with the program refocused into a series of phases. The 1995 fourth quarter selling, general and administrative expenses, as a percentage of sales, improved to 22.4% of sales in 1995 from 24.1% in 1994.

Capital asset amortization expense increased $4 million to $92 million in 1995 compared to 1994 due entirely to the significant capital investments made in late 1994 and in 1995 to upgrade manufacturing technologies.

Research and development expense was $28 million in each of 1995 and 1994. Expenditures in 1995 were focused on proprietary labels and label systems, technologies and applications for short-run and variable production colour printing, and the enhancement of proprietary imaging, data handling solutions, software front-end systems, and the integration of ink jet printing technologies.

Income from operations in 1995 of $114 million decreased $21 million from 1994. The decrease reflected mainly the unfavourable impact of volume declines in the forms businesses, particularly higher manufacturing costs due to increased overcapacity.

Investment and other income of $292 million in 1995 increased from $49 million in 1994, mainly due to the recognition of a $248 million pre-tax gain on the reduction of the Corporation's investment in Toppan Moore. The gain was partly offset by the inclusion of $13 million of costs associated with the Corporation's efforts to acquire Wallace Computer Services, Inc. ("Wallace"), and lower equity earnings from associated corporations of $23 million.

The 1995 effective tax rate (the ratio of income taxes to earnings before taxes) of 32% was higher than the 1994 effective tax rate of 26%. The increase primarily reflected the impact of a higher effective tax rate applicable to the gain on the sale of the Toppan Moore equity interest, and expenditures incurred to acquire Wallace for which no tax benefit was recognized. The effective tax rate increase was partially offset by utilizing unrecognized prior years' tax losses in Europe and Brazil, and higher than anticipated tax benefits from the 1993 restructuring.

Net earnings in 1995 of $268 million or $2.68 per share increased $147 million from 1994 net earnings of $121 million or $1.22 per share. Included in 1995 net earnings was a gain of $147 million after-tax or $1.47 per share realized on the reduction of the Corporation's equity interest in Toppan Moore from 45% to 10% on March 10, 1995, and expenditures of $13 million or $0.13 per share arising from the efforts to acquire Wallace. For the fourth quarter of 1995, net earnings decreased to $22 million or $0.22 per share from $39 million or $0.39 per share in 1994. The earnings decrease was due to the inclusion of costs related to efforts to acquire Wallace ($0.13 per share), and the elimination of debt guarantee obligations related to the Corporation's investment in Toppan Moore in the 1994 fourth quarter ($0.12 per share).

Forms, Print Management and Related Products ("Forms")

Forms sales of $2,108 million in 1995 increased $150 million or 8% from 1994 sales of $1,958 million reflecting mainly the impact of higher selling prices to offset the paper price increases. Included in Forms sales are Labels and Label Systems sales of $198 million, an 8% increase from 1994.

North American sales were $1,432 million in 1995, an increase of $110 million or 8% from 1994, with increases in Canada and the United States of 4% and 9%, respectively.

Sales in Europe of $281 million in 1995 were $25 million or 10% above the 1994 level. Higher selling prices to compensate for the increase in paper prices and a strengthening of the French franc and British pound against the United States dollar drove the sales increase.

Latin American sales in 1995 increased 16% to $213 million. Brazil's sales were up 42% due mainly to an increased focus on the short-run market and the positive impact of the government's economic measures. However, the improvement was partly mitigated by lower sales volume in Mexico.

Sales in the Asia Pacific region were $182 million in 1995, a decrease of $15 million from 1994. A 23% sales growth in New Zealand was not sufficient to offset an 11% sales decline in Australia. Prices were raised to pass on paper price increases to customers, but volume in Australia decreased.

Segment operating profit of $81 million in 1995 was $19 million below the 1994 level of $100 million. A $12 million or 44% profit improvement in 1995 over 1994 in Canada, Latin America and Europe was not sufficient to offset the lower earnings in the United States and Asia Pacific. Operating profit in Canada improved 146%, reflecting mainly the benefits of the restructuring programs that were completed in late 1994. The strong profit improvement in Brazil and lower overhead costs in the region contributed to the 47% increase in Latin America's profits. In the United States, earnings were lower due to volume reductions and increased information technology costs. In Asia Pacific, volume decreases in Australia and increased costs related to the integration of Computer Resources Trust contributed to lower earnings.

Customer Communication Services ("CCS")

CCS sales in 1995 of $494 million increased 10% from 1994 sales of $448 million. The sales growth occurred in all geographical areas. Excluding the 1994 year-to-date sales of a business sold in November 1994, North American sales in 1995 of $361 million increased $45 million or 14% over 1994. Higher selling prices to fully recover paper price increases were augmented by volume growth in the direct marketing services and business communication services units to account for this sales improvement. Latin America's 37% sales increase to $30 million was driven entirely by the 52% sales growth in Brazil. This reflected increased prices to recover paper price increases and additional contracts with new customers. Modest growth in Europe resulted in sales of $92 million in 1995. CCS sales represented 19% of the Corporation's total sales.

Segment operating profit in 1995 of $33 million decreased $1 million or 5% from the 1994 level. Profits improved in all regions except Europe. The lower profit in Europe was attributable partly to a change in customers' normal ordering patterns due to higher paper prices, increased competitive price pressures, and the effects of a general slowdown in the European economy and of a national civil servants' strike in France during the fourth quarter of 1995. There was an 8% profit improvement in North America fuelled by significant volume growth, and a 52% improvement in Latin America's performance resulting from new customer business and benefits arising from restructuring programs completed in 1994.

Restructuring of Operations

1992 Restructuring Program Activity in 1995

The 1992 restructuring program was substantially completed in 1995 when almost $6 million was spent on facility closure costs for unsold properties and lease sites.

1993 Restructuring Program Activity in 1995

During 1995, $63 million of costs were charged against the restructuring reserve, leaving a remaining accrual balance of $21 million. Selling, general and administrative restructuring expenditures of $20 million were incurred in the United States, Mexico and Europe, primarily to reengineer the information technology infrastructure and the North American order management system. The manufacturing restructuring program continued in the United States, Australia and Europe with the closure of several plants and completion of various restructuring initiatives, including the hub and satellite manufacturing reorganization in the United States. Asset write-offs of $31 million primarily comprised plant closure costs in the United States.

The remaining restructuring accrual mainly related to completing the reengineering of the North American order management system, facility closure costs for unsold properties and lease sites, and severance continuation payments. This remaining accrual is deemed sufficient to substantially complete these restructuring initiatives by the end of 1996.

Effects of Inflation and Changing Prices

The Corporation's business is affected by the rate of inflation in each country in which it operates. With the exception of Brazil, Mexico, Central America, and Venezuela, the rates of inflation in most countries where the Corporation has operations are relatively low. Selling prices and the volume sold, however, are influenced more by supply and demand in the various markets served by the Corporation than by inflationary pressures.

The strategy employed worldwide is to offset cost increases by purchasing more effectively, by improving manufacturing and operating efficiencies, and by increasing value-added products and services. The Corporation in the normal course of business enters into hedging contracts to manage foreign exchange risk but does not enter into derivative financial instruments for trading purposes.

Canadian and United States Generally Accepted Accounting Principles

The consolidated financial statements of the Corporation are prepared in accordance with accounting principles generally accepted in Canada. However, since the common shares of the Corporation are listed on the New York Stock Exchange, in addition to the Toronto and Montreal exchanges, and the Corporation is a foreign registrant with the Securities and Exchange Commission of the United States, the Corporation must comply with the integrated disclosure rules of the Securities and Exchange Commission and publish net earnings and net earnings per share prepared in accordance with United States generally accepted accounting principles (GAAP).

A review of the differences between Canadian and United States GAAP that have an effect on earnings, and comparative net earnings and net earnings per share based on United States GAAP is presented in Note 21 to the consolidated financial statements. The Corporation has evaluated all new accounting standards required to be adopted in the United States and determined that the implementation of such standards will not have a material impact on the financial statements. Comparative unaudited quarterly financial information based on United States GAAP is presented on page 48.

Consolidated Balance Sheet

As at December 31
Expressed in United States currency in thousands of dollars

	1996	1995
ASSETS		
Current assets:		
Cash and short-term securities	$ 694,265	$ 721,986
Accounts receivable, less allowance for doubtful accounts of $9,311 (1995 – $13,933)	447,594	477,016
Inventories (Note 2)	169,227	191,831
Prepaid expenses	33,673	22,529
Deferred income taxes	24,820	36,360
Total current assets	1,369,579	1,449,722
Property, plant and equipment:		
Land	26,142	25,605
Buildings	248,755	244,128
Machinery and equipment	1,141,364	1,075,257
	1,416,261	1,344,990
Less: Accumulated depreciation	812,511	772,982
	603,750	572,008
Investments (Note 3)	82,149	87,787
Other assets (Note 4)	168,562	126,121
Total assets	$ 2,224,040	$ 2,235,638
LIABILITIES		
Current liabilities:		
Bank loans	$ 40,091	$ 30,652
Accounts payable and accruals (Note 6)	378,261	393,635
Income taxes	29,216	93,973
Other	38,171	23,470
Total current liabilities	485,739	541,730
Long-term debt (Note 7)	53,811	71,512
Deferred income taxes and liabilities (Note 8)	117,388	126,673
Equity of minority shareholders in subsidiary corporations	17,283	7,553
Total liabilities	674,221	747,468
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	344,968	342,170
Unrealized foreign currency translation adjustments (Note 10)	(38,863)	(41,974)
Retained earnings	1,243,714	1,187,974
	1,549,819	1,488,170
Total liabilities and shareholders' equity	$ 2,224,040	$ 2,235,638

Approved by the Board of Directors:

R. Braun
Director

James D. Farley

J.D. Farley
Director

Consolidated Statement of Earnings

For the year ended December 31
Expressed in United States currency and, except earnings per share, in thousands of dollars

	1996	1995	1994
Sales	$ 2,517,673	$ 2,602,254	$ 2,406,048
Cost of sales	1,644,276	1,766,671	1,585,990
Selling, general and administrative expenses	605,788	602,314	568,416
Capital asset amortization	99,575	91,717	87,999
Research and development expense	25,426	27,940	28,380
Total costs	2,375,065	2,488,642	2,270,785
Income from operations	142,608	113,612	135,263
Investment and other income (Notes 3 and 13)	69,402	291,738	49,355
Interest expense (Note 13)	11,760	11,794	13,099
Unrealized exchange adjustments	1,054	1,696	5,179
Earnings before income taxes and minority interests	199,196	391,860	166,340
Income taxes expense (Note 15)	48,570	123,738	43,853
Minority interests	703	621	1,087
Net earnings	$ 149,923	$ 267,501	$ 121,400
Net earnings per common share (Note 16)	$ 1.50	$ 2.68	$ 1.22
Average shares outstanding (in thousands)	99,967	99,754	99,538

Consolidated Statement of Retained Earnings

For the year ended December 31
Expressed in United States currency in thousands of dollars

	1996	1995	1994
Balance at beginning of year	$ 1,187,974	$ 1,014,257	$ 986,424
Net earnings	149,923	267,501	121,400
	1,337,897	1,281,758	1,107,824
Dividends 94¢ per share (94¢ in 1995 and in 1994)	94,183	93,784	93,567
Balance at end of year	$ 1,243,714	$ 1,187,974	$ 1,014,257

Consolidated Statement of Cash Flows

For the year ended December 31
Expressed in United States currency in thousands of dollars

	1996	1995	1994
OPERATING ACTIVITIES			
Net earnings	$ 149,923	$ 267,501	$ 121,400
Items not affecting cash resources:			
Capital asset amortization (a)	102,436	94,195	90,057
Gain on sale of property, plant and equipment	(2,361)	(10,560)	(3,710)
Equity in (earnings) loss of associated corporations	380	(1,347)	(24,291)
Gain from sale of investments	(26,947)	(248,174)	–
Other	5,690	3,533	13,869
	79,198	(162,353)	75,925
Decrease (increase) in working capital other than cash resources:			
Accounts receivable	29,422	(41,464)	(15,747)
Inventories	22,604	52,671	10,845
Accounts payable and accruals	(15,374)	19,077	(24,099)
Income taxes	15,300	74,230	8,195
Deferred income taxes	14,718	3,625	13,814
Other	(5,688)	(6,697)	(10,676)
	60,982	101,442	(17,668)
Total	$ 290,103	$ 206,590	$ 179,657
INVESTING ACTIVITIES			
Expenditure for property, plant and equipment	$ (119,574)	$ (86,605)	$ (77,014)
Sale of property, plant and equipment	12,063	24,374	13,650
Decrease (increase) in long-term receivables	4,050	53,651	(13,857)
Acquisition of businesses	(47,172)	–	(1,212)
Disposal of businesses	11,661	27,057	3,434
Proceeds from sale of investments	33,418	354,693	–
Taxes on sale of an investment	(80,057)	–	–
Investment in associated corporations	(4,248)	(1,186)	(21,076)
Other	(36,432)	(29,441)	2,597
Total	$ (226,291)	$ 342,543	$ (93,478)
FINANCING ACTIVITIES			
Dividends	$ (94,183)	$ (93,784)	$ (93,567)
Addition to debt	19,951	5,450	9,838
Reduction in debt	(25,726)	(9,924)	(7,049)
Other	958	3,833	468
Total	$ (99,000)	$ (94,425)	$ (90,310)
Increase (decrease) in cash resources before unrealized exchange adjustments	$ (35,188)	$ 454,708	$ (4,131)
Unrealized exchange adjustments	(1,972)	2,089	(2,229)
Increase (decrease) in cash resources	(37,160)	456,797	(6,360)
Cash resources at beginning of year (b)	691,334	234,537	240,897
Cash resources at end of year (b)	$ 654,174	$ 691,334	$ 234,537

(a) Includes depreciation that has been classified in research and development expense.

(b) Cash resources are defined as cash and short-term securities less bank loans.

Notes to Consolidated Financial Statements

Year ended December 31
Expressed in United States currency

1. SUMMARY OF ACCOUNTING POLICIES

Accounting principles
Moore Corporation Limited is incorporated under the laws of the Province of Ontario, Canada.

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada.

Principles of consolidation
The financial statements of entities which are controlled by the Corporation, referred to as subsidiaries, are consolidated; entities which are jointly controlled are proportionately consolidated; entities which are not controlled and which the Corporation has the ability to exercise significant influence over are accounted for using the equity method; and investments in other entities are accounted for using the cost method.

Translation of foreign currencies
The consolidated financial statements are expressed in United States currency because a significant part of the net assets and earnings are located or originate in the United States. Except for the foreign currency financial statements of subsidiaries in countries with highly inflationary economies, Canadian and other foreign currency financial statements have been translated into United States currency on the following bases: all assets and liabilities at the year-end rates of exchange; income and expenses at average exchange rates during the year.

Net unrealized exchange adjustments arising on translation of foreign currency financial statements are charged or credited directly to shareholders' equity and shown as unrealized foreign currency translation adjustments.

The foreign currency financial statements of subsidiaries in countries with highly inflationary economies are translated into United States currency on the following bases: current assets (excluding inventory), current liabilities, pension liabilities, long-term receivables and long-term debt, at the year-end rates of exchange; all other assets, liabilities, accumulated depreciation and related charges against earnings and share capital, at historical rates of exchange; income and expenses, other than depreciation and cost of sales, at average exchange rates during the year. Net unrealized exchange adjustments arising on translation of foreign currency financial statements of subsidiaries in countries with highly inflationary economies are included in earnings as unrealized exchange adjustments.

Realized exchange losses or gains are included in earnings. Unrealized exchange losses or gains related to monetary items with a fixed or ascertainable life extending beyond the end of the following fiscal year are deferred and amortized over the remaining life of the asset or liability.

Financial instruments
The Corporation enters into forward exchange contracts to manage exposures resulting from foreign exchange fluctuations in the ordinary course of business. The contracts are normally for terms up to six months and are used as hedges of foreign denominated revenue streams, costs, and intercompany loans. The unrealized gains and losses on outstanding contracts are offset against the gains and losses of the hedged item at the maturity of the underlying transactions.

Short-term securities consist of investment grade, highly liquid instruments of highly rated financial institutions and corporations.

Unless disclosed otherwise in the notes to the financial statements, the estimated fair value of financial assets and liabilities approximates carrying value.

Inventories
Inventories of raw materials and work in process are valued at the lower of cost and replacement cost and inventories of finished goods at the lower of cost and net realizable value. The cost of the principal raw material inventories and the raw material content of finished goods inventories in the United States is determined on the last-in, first-out basis. The cost of all other inventories is determined on the first-in, first-out basis.

Property, plant and equipment and depreciation
Property, plant and equipment are stated at historical cost after deducting investment tax credits and other grants on eligible capital assets. Depreciation is provided on a basis that will amortize the cost of depreciable assets over their estimated useful lives using the straight-line method. All costs for repairs and maintenance are expensed as incurred.

The estimated useful lives of buildings range from 20 to 50 years and of machinery and equipment from 3 to 17 years.

Gains or losses on the disposal of property, plant and equipment are included in investment and other income and the cost and accumulated depreciation related to these assets are removed from the accounts.

Goodwill
The estimated useful life of goodwill arising from acquisitions is determined based on the particular circumstances of each investment. Goodwill is amortized on a straight-line basis over its estimated useful life, not exceeding forty years, and is written down when there has been a permanent impairment of its value.

Amortization of deferred charges

Deferred charges include development costs and computer software costs which are amortized over periods deemed appropriate to match expenses with the related revenues, up to a maximum of five years.

Income taxes

Income taxes are accounted for on the tax allocation basis which relates income taxes to the accounting income for the year.

No provision has been made for taxes on undistributed earnings of subsidiaries not currently available for paying dividends as such earnings have been reinvested in the business.

2. INVENTORIES (in thousands)

	1996	1995
Raw materials	$ 51,488	$ 61,687
Work in process	22,473	24,013
Finished goods	89,973	99,870
Other	5,293	6,261
	$ 169,227	$ 191,831

The excess of the current cost over the last-in, first-out cost of those inventories is approximately $22,484,000 at December 31, 1996 (1995 – $41,300,000).

In 1995, a program was initiated whereby the Corporation's rights to specific customer finished goods inventory in the United States were sold to third parties. The reduction in inventory resulted in a $9 million LIFO credit to cost of goods sold.

3. INVESTMENTS (in thousands)

	1996	1995
Accounted for on the equity basis:		
JetForm Corporation	$ –	$ 17,219
Other	4,972	10,991
	4,972	28,210
Accounted for on the cost basis:		
Toppan Moore Company, Ltd.	53,664	53,426
JetForm Corporation	17,291	–
Other	6,222	6,151
	77,177	59,577
	$ 82,149	$ 87,787

In 1996, the Corporation exchanged its rights under an option agreement with JetForm Corporation ("JetForm") for common shares of JetForm and sold preferred shares of JetForm, resulting in a net reduction in its investment to 16%. Consequently, the Corporation changed its accounting for the investment in JetForm from the equity method to the cost method.

In 1995, the Corporation sold a 35% equity interest in Toppan Moore Company, Ltd. thereby reducing its investment to 10%.

The fair value of investments accounted for on the cost basis is approximately $138 million. Fair value is calculated by reference to quoted market prices, if available, or estimated by the Corporation on the basis of financial and other information.

4. OTHER ASSETS (in thousands)

	1996	1995
Prepaid pension cost	$ 56,527	$ 44,131
Goodwill, net of accumulated amortization of $32,605 (1995 – $28,672)	37,945	14,598
Computer software	21,663	17,574
Notes receivable	12,026	16,080
Other long-term receivables	6,730	9,877
Long-term bonds	22,118	22,021
Other	11,553	1,840
	$ 168,562	$ 126,121

5. SHORT-TERM FINANCING

The weighted average interest rate on short-term debt outstanding as of December 31, 1996 was 5.8% (1995 – 8.4%).

The unused lines of credit outstanding at December 31, 1996 for short-term financing were $1,252,284,000 (1995 – $1,272,779,000).

6. ACCOUNTS PAYABLE AND ACCRUALS (in thousands)

	1996	1995
Trade accounts payable	$ 164,397	$ 167,094
Other payables	79,701	76,798
	244,098	243,892
Accrued payroll costs	40,314	45,619
Accrued employee benefit costs	26,478	25,136
Other accruals	67,371	78,988
	134,163	149,743
	$ 378,261	$ 393,635

7. LONG-TERM DEBT (in thousands)

	1996	1995
Moore Business Systems Australia Limited		
Bank loan, subject to renegotiation in 1998, payable in Australian dollars bearing interest at the Australian Bank Bill rate plus 0.225% (1995 – 0.275%)	$ 31,776	$ 44,592
Moore de Mexico Holdings, S.A. de C.V.		
Bank loan, subject to renegotiation in 1997, payable in United States dollars bearing interest at the London Interbank Offer rate plus 0.3%	14,528	14,528
Moore Corporation Limited		
Bank loan payable in Japanese yen bearing interest at 7.2%	–	6,086
Other		
Secured loans	375	628
Capital lease commitments	2,732	2,928
Unsecured loans	4,400	2,750
	$ 53,811	$ 71,512

The bank loan of Moore Business Systems Australia Limited was refinanced on November 29, 1996 to include both long-term and short-term debt facilities. At December 31, 1996, the short-term debt outstanding of $10,327,000 is included in current liabilities.

The Moore Corporation Limited bank loan outstanding at December 31, 1995 was repaid on April 15, 1996.

The other long-term debt bears interest at rates ranging from 4.7% to 15.7% and matures on various dates to 2005. Loans of other subsidiaries amounting to $2,818,000 (1995 – $3,310,000) are payable in currencies other than United States dollars.

The net book value of assets subject to lien approximates $25,000,000 (1995 – $15,000,000). The liens are primarily mortgages against property, plant and equipment and pledges of accounts receivable, inventory, and other current assets.

Amounts of $4,901,000 (1995 – $8,022,000) of long-term debt due within one year are included in current liabilities. For the years 1998 through 2001 payments required on long-term debt are as follows: 1998 – $2,347,000; 1999 – $2,025,000; 2000 – $689,000; and 2001 – $260,000.

Notes to Consolidated Financial Statements (continued)

8. DEFERRED INCOME TAXES AND LIABILITIES

Non-current deferred income taxes amount to $59,429,000 (1995 – $53,016,000).

Deferred liabilities include $46,893,000 (1995 – $64,876,000) for pensions under various retirement plans (Note 11).

9. SHARE CAPITAL

The Corporation's articles of incorporation provide that its authorized share capital be divided into an unlimited number of common shares without par value and an unlimited number of preference shares without par value, issuable in one or more series. The preference shares are non-voting except on arrears of dividends.

Changes in the issued common share capital

	SHARES ISSUED	AMOUNT (in thousands)
Balance, January 1, 1994	99,523,620	$ 336,181
Dividend Reinvestment and Share Purchase Plan	25,854	452
Exercise of executive stock options	19,300	305
Employee awards	1,380	26
Balance, December 31, 1994	99,570,154	336,964
Exercise of executive stock options	259,710	4,265
Dividend Reinvestment and Share Purchase Plan	46,679	941
Balance, December 31, 1995	99,876,543	342,170
Exercise of executive stock options	126,020	2,115
Dividend Reinvestment and Share Purchase Plan	34,253	643
Employee awards	2,250	40
Balance, December 31, 1996	100,039,066	$ 344,968

On February 16, 1994, the Board approved the Dividend Reinvestment and Share Purchase Plan whereby shareholders of the Corporation have two methods of obtaining additional shares at market value without incurring brokerage or service charges. The Dividend Reinvestment Option allows participants to use their dividends to purchase additional shares of the Corporation. The Share Purchase Option allows shareholders to purchase shares by making cash payments of not less than $50 (Cdn.) and not more than $5,000 (Cdn.) in each quarter.

Pursuant to the terms of the amended 1994 Long Term Incentive Plan approved by the shareholders of the Corporation on April 25, 1996, an additional 2,500,000 common shares of the Corporation were reserved for issuance increasing the number of shares issuable to 5,500,000. Under the terms of this plan, stock options, stock appreciation rights, and restricted stock awards may be granted to certain key employees. The exercise price under all options involving the common shares of the Corporation shall not be less than 100% of fair market value of the shares covered by the option on the day prior to the date of grant. Options granted since September, 1993 vest at 20% per annum from the date of grant, with the exception of one 1995 grant to purchase 250,000 shares which vest at 33⅓% per annum. Upon retirement, all options become vested and are eligible for exercise. The options expire not more than ten years from the date granted.

Stock option activity in 1996

Years granted	1996	1995	1994	1993	1991	1989	1988	1987	TOTAL
Number of common shares under option outstanding December 31, 1995	–	1,496,000	1,023,900	728,200	322,600	276,600	253,700	222,700	4,323,700
Options granted	1,527,000	–	–	–	–	–	–	–	1,527,000
Options lapsed	(18,500)	(169,100)	(114,200)	(25,100)	(18,800)	(44,400)	(44,600)	(34,600)	(469,300)
Options exercised	–	(50,000)	(9,420)	(66,600)	–	–	–	–	(126,020)
Options cancelled	–	(4,400)	(9,320)	(21,700)	–	–	–	–	(35,420)
Options outstanding December 31, 1996	1,508,500	1,272,500	890,960	614,800	303,800	232,200	209,100	188,100	5,219,960
Option price per share Canadian currency	$26.48*	$26.23*	$24.79*	$22.29*	$29.31	$34.88	$28.56	$31.88	

Weighted average option price

Under the terms of the 1994 Long Term Incentive Plan, there were 810,660 common shares available for grants as of January 1, 1996 and 2,047,360 as of December 31, 1996 taking into consideration the addition of 2,500,000 shares.

On April 27, 1995, the shareholders of the Corporation reconfirmed the Corporation's shareholder rights plan ("Rights Plan"), the terms and conditions of which are set out in the Shareholders Rights Plan Agreement ("Rights Agreement"), dated as of April 12, 1995. The Rights Agreement amends and restates the terms of the shareholder rights plan agreement, dated January 18, 1990.

The Rights Plan was originally adopted to provide the Corporation with sufficient time, in the event of a public takeover bid or tender offer for the Corporation's common shares, to pursue alternatives to enhance shareholder value. All holders of Rights, with the exception of such acquiring person or group, are entitled to purchase from the Corporation upon payment of an exercise price of $120.00 (Cdn.) the number of additional common shares that can be purchased for twice the exercise price, based on the market value of the Corporation's common shares at the time the Rights become exercisable.

The amended and restated Rights Plan included the following changes: 1) an increase from 15% to 20% in the level of share ownership to trigger the plan, 2) more exemptions for investment and fund managers, 3) more streamlined "permitted bid" provisions which allow the making of partial bids and require that a permitted bid be open for acceptance for a minimum of 75 days and 4) an automatic waiver of the plan to competing bids if the plan is waived with respect to any other bid.

The Board of Directors awarded 2,250 (1995 – 0) common shares to employees in 1996.

As at December 31, 1996, there were no issued preference shares.

10. UNREALIZED FOREIGN CURRENCY TRANSLATION ADJUSTMENTS (in thousands)

	1996	1995	1994
Balance at beginning of year	$ (41,974)	$ 13,953	$ (9,709)
Translation adjustment:			
Canada	891	10,906	(30,344)
Japan	–	(56,768)	20,843
Netherlands	(970)	(5,719)	27,095
United Kingdom	3,920	(531)	1,552
Other	(730)	(3,815)	4,516
Balance at end of year	$ (38,863)	$ (41,974)	$ 13,953

The translation adjustments for each year result from the variation from year to year in rates of exchange at which foreign currency net assets are translated to United States currency.

Notes to Consolidated Financial Statements (continued)

11. RETIREMENT PROGRAMS

Defined benefit pension plan

The Corporation and its subsidiaries have several programs covering substantially all of the employees in Canada, the United States, Puerto Rico, the United Kingdom, Australia, and New Zealand.

The following data is based upon reports from independent consulting actuaries as at December 31:

	CANADA			UNITED STATES			INTERNATIONAL		
	1996	1995	1994	1996	1995	1994	1996	1995	1994
Funded Status (in thousands)									
Actuarial present value of:									
Vested benefit obligation	$ 56,198	$ 54,130	$ 51,017	$ 489,340	$ 556,224	$ 444,230	$ 72,770	$ 70,081	$ 68,407
Accumulated benefit obligation	59,079	57,500	54,046	526,432	594,541	470,225	73,005	70,417	68,977
Projected benefit obligation	$ 72,048	$ 71,318	$ 67,234	$ 585,153	$ 683,025	$ 531,452	$ 79,268	$ 76,795	$ 74,693
Plan assets at fair value	99,942	88,249	75,055	694,125	597,502	522,616	143,540	124,947	113,675
Excess (shortfall) of plan assets over projected benefit obligation	27,894	16,931	7,821	108,972	(85,523)	(8,836)	64,272	48,152	38,982
Unrecognized net loss (gain)	(14,775)	(2,595)	4,730	(170,488)	13,194	(62,524)	(20,924)	(16,191)	(11,241)
Unrecognized net asset	(3,940)	(4,941)	(5,772)	(12,203)	(15,250)	(18,298)	(4,061)	(6,172)	(8,624)
Unrecognized prior service cost	2,764	2,681	2,871	39,859	37,208	42,518	3,641	4,538	4,496
Prepaid (accrued) pension cost included in consolidated balance sheet	$ 11,943	$ 12,076	$ 9,650	$ (33,860)	$ (50,371)	$ (47,140)	$ 42,928	$ 30,327	$ 23,613
Pension Expense (in thousands)									
Service cost	$ 1,919	$ 2,109	$ 2,095	$ 12,399	$ 12,810	$ 17,072	$ 2,855	$ 2,734	$ 2,992
Interest cost	5,901	5,805	5,365	46,831	44,675	43,315	5,691	5,863	5,555
Actual return on assets	(17,800)	(14,274)	1,978	(99,519)	(110,316)	173	(13,056)	(19,503)	2,700
Net amortization and deferral	10,076	7,205	(8,652)	42,262	56,062	(51,340)	(2,234)	5,484	(14,752)
Net pension expense (credit)	$ 96	$ 845	$ 786	$ 1,973	$ 3,231	$ 9,220	$ (6,744)	$ (5,422)	$ (3,505)
Other Information									
Assumptions:									
Discount rates									
January 1	8.5%	8.5%	8.5%	8.5%	8.8%	7.5%	8.1%	8.4%	7.5%
December 31	8.5%	8.5%	8.5%	8.5%	7.0%	8.8%	8.0%	7.8%	8.3%
Rate of return on assets	8.5%	8.5%	8.5%	9.5%	9.5%	9.5%	9.1%	9.5%	9.5%
Rate of compensation increase	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	6.8%	7.0%	7.2%
Amortization period	15 years	15 years	15 years	14 years	13 years	14 years	11 years	11 years	11 years

During 1994, the Corporation offered an enhanced retirement program to eligible employees ages 57 and over in the United States and in Canada who retired between May 1, 1994 and July 1, 1994. Eligible employees were granted five additional years of age and service in the defined benefit pension calculation, and will receive a temporary supplement until age 62 in the United States and age 65 in Canada. Since the enhanced retirement program for the United States plan constituted a significant event, a remeasurement of the plan's liabilities and assets was performed as of May 1, 1994 using an 8¼% discount rate and this rate was used to determine net periodic pension cost for the remainder of 1994.

In some subsidiaries, where either state or funded retirement plans exist, there are certain small supplementary unfunded plans. Pensionable service prior to establishing funded contributory retirement plans in other subsidiaries, covered by former discretionary non-contributory retirement plans, was assumed as a prior service obligation. In addition, the Corporation has entered into retiring allowance and supplemental retirement agreements with certain senior executives. The deferred liability for pensions at December 31, 1996, referred to in Note 8, includes the unfunded portion of this prior service obligation and the supplementary unfunded plans.

All of the retirement plans are non-contributory except the New Zealand plan. Retirement benefits are generally based on years of service and employees' compensation during the last years of employment. However, in the United States the retirement benefit accrues each year based upon compensation for that year. At December 31, 1996, approximately 70% of the United States' plan's assets, about 60% of the Canadian plan's assets and approximately 85% of the international plan's assets were held in equity securities with the remaining portion of the asset funds being mainly fixed income securities. The Corporation's funding policy is to satisfy the funding standards of the regulatory authorities and to make contributions in order to provide for the accumulated benefit obligation and current service cost. To the extent that pension obligations are fully covered by existing assets, a contribution may not be made in a particular year.

Defined contribution pension plan

Savings plans are maintained in Canada, the United States, the United Kingdom and Australia. Only the savings plan in the United Kingdom requires company contributions for all employees who are eligible to participate in the retirement plans. These annual contributions consist of a retirement savings benefit contribution ranging from 1% to 3% of each year's compensation depending upon age. For all savings plans, if an employee contribution is made, a portion of such contribution is matched by the company. Also, a defined contribution plan is maintained in The Netherlands. The plan expenses in 1996 were $5,798,000 (1995 – $7,415,000; 1994 – $7,586,000).

12. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the Corporation and its United States subsidiary provide retired employees with health care and life insurance benefits. The cost of these health care and life insurance benefits is recognized as an expense as incurred. In 1996, the costs of these benefits were approximately $13,390,000 (1995 – $15,550,000; 1994 – $13,590,000).

Notes to Consolidated Financial Statements (continued)

13. CONSOLIDATED STATEMENT OF EARNINGS INFORMATION (in thousands)	1996	1995	1994
Interest expense			
Interest on long-term debt	$ 5,834	$ 7,273	$ 5,723
Other interest	5,926	4,521	7,376
	$ 11,760	$ 11,794	$ 13,099
Investment and other income			
Interest on short-term investments	$ 37,968	$ 36,552	$ 17,873
Equity in earnings (loss) of associated corporations	(380)	1,347	24,291
Gain on sale of preferred shares in JetForm Corporation	26,947	–	–
Gain on sale of 35% equity interest in Toppan Moore	–	248,174	–
Costs related to the proposed acquisition of Wallace Computer Services, Inc.	(4,320)	(12,508)	–
Gain on sale of property, plant and equipment	2,361	10,560	3,710
Miscellaneous	6,826	7,613	3,481
	$ 69,402	$ 291,738	$ 49,355
Other expenses			
Rent	60,370	58,680	56,231
Repairs and maintenance	54,128	54,376	54,689
Retirement programs	5,464	8,951	18,059
Goodwill amortization	3,933	2,505	2,381
Computer software amortization	1,824	2,261	2,989

14. PROVISION FOR RESTRUCTURING COSTS

In 1992, a restructuring provision of $77 million before tax was recorded. The 1992 restructuring program is complete with no reserve balance remaining at December 31, 1996.

The 1993 restructuring program, which included a $229 million restructuring provision before tax, was completed in 1996. Expenditures were made in 1996 to complete the reengineering of the order management system in North America, facility closure costs for unsold properties and lease sites, and severance continuation payments.

The following table sets forth the Corporation's activity in its restructuring reserves from 1993 to 1996.

Restructuring Programs (in millions)

	SELLING, GENERAL & ADMINISTRATIVE	MANUFACTURING REORGANIZATION	ASSET WRITE-OFFS	TOTAL PROVISION
Reserve balance, December 31, 1993	$ 90	$ 44	$ 112	$ 246
Cash payments	(21)	(25)	(16)	(62)
Early retirement	(36)	–	–	(36)
Non-cash items	(1)	(2)	(55)	(58)
Reserve balance, December 31, 1994	32	17	41	90
Cash payments	(21)	(13)	(26)	(60)
Non-cash items	–	–	(9)	(9)
Reserve balance, December 31, 1995	11	4	6	21
Cash payments	(13)	(6)	–	(19)
Non-cash items	–	–	(2)	(2)
Reserve balance, December 31, 1996	$ (2)	$ (2)	$ 4	$ –

15. INCOME TAXES

The components of earnings before income taxes for the three years ended December 31 were as follows:

Earnings before income taxes (in thousands)

	1996	1995	1994
Canada	$ 56,319	$ 278,445	$ 30
United States	109,554	61,055	97,118
Other countries	33,323	52,360	69,192
	$ 199,196	$ 391,860	$ 166,340

Provision for income taxes (in thousands)

	1996		1995		1994	
	CURRENT	DEFERRED	CURRENT	DEFERRED	CURRENT	DEFERRED
Canada	$ 7,889	$ 1,050	$ 104,884	$ 1,922	$ (2,175)	$ 2,374
United States	28,728	9,403	9,826	9,784	26,734	11,318
Other countries	1,740	(1,302)	8,559	(12,836)	7,407	(2,082)
Withholding taxes on inter-company dividends	1,062	–	1,599	–	277	–
	$ 39,419	$ 9,151	$ 124,868	$ (1,130)	$ 32,243	$ 11,610

Deferred income taxes in each of the three years arose from a number of differences of a timing nature between income for accounting purposes and taxable income in the jurisdictions in which the Corporation and its subsidiaries operate. The sources of major timing differences and the tax effect of each were as follows:

Deferred income taxes (in thousands)

	1996	1995	1994
Depreciation	$ 1,193	$ 4,632	$ 2,020
Pensions	4,871	1,975	(3,095)
Inventories	266	453	(432)
Restructuring costs	5,570	4,086	14,592
Net operating loss carryforwards	(3,681)	(13,102)	(1,597)
Other	932	826	122
	$ 9,151	$ (1,130)	$ 11,610

The effective rates of tax for each year compared with the statutory Canadian rates were as follows:

Effective tax expense rate

	1996	1995	1994
Canada			
Combined federal and provincial statutory rate	43.8%	43.8%	43.8%
Corporate surtax	1.1	1.1	0.8
Manufacturing and processing rate reduction	(6.3)	(6.3)	(6.6)
Tax rate differences in other jurisdictions	(7.3)	(3.8)	(3.0)
Tax benefit of losses previously not recognized	(4.6)	(5.5)	(7.9)
Withholding taxes	0.5	0.4	0.2
Other	(2.8)	1.9	(0.9)
Total consolidated effective tax expense rate	24.4%	31.6%	26.4%

At December 31, 1996, loss carryforwards of approximately $128 million have not been recognized in the financial statements. Of that amount, $24 million expires between 1997 and 2006 and $104 million has no expiry date.

16. EARNINGS AND FULLY DILUTED EARNINGS PER COMMON SHARE

The earnings per share calculations are based on the weighted average number of common shares outstanding during the year.

If it were assumed that all outstanding stock options had been exercised at the beginning of the year and the funds derived therefrom had been invested at an annual return of 3.3% net of tax, the earnings per share for the year would have been $1.46 (1995 – $2.61; 1994 – $1.20). The amount of income imputed, after income taxes, was $2.9 million.

17. SEGMENTED INFORMATION

The Corporation and its subsidiaries have operated in primarily two industries during the three years ended December 31, 1996:

(1) Forms, Print Management and Related Products (Forms)
In this segment, the Corporation is the world's largest designer and manufacturer of business forms and related products, systems and services which include:

- custom business forms and equipment
- electronic forms and services
- print services such as digital colour printing
- pressure sensitive labels
- proprietary label products
- variable imaged bar codes
- integrated form-label applications
- printers, applicators and software products and solutions.

(2) Customer Communication Services (CCS)
In this segment, the Corporation is the world's largest producer of personalized direct mail, and offers outsourcing services for statement printing, imaging, processing and distribution including:

- creation and production of personalized mail
- direct marketing program development
- database management and segmentation services
- response analysis services
- mail production outsourcing services

Transfers of product between segments are generally accounted for on a basis that results in a fair profit being earned by each segment.

Industry segments (in thousands)

	FORMS	CCS	CONSOLIDATED
1996			
Total revenue	$ 2,019,277	$ 524,010	$ 2,543,287
Intersegment sales	(23,934)	(1,680)	(25,614)
Sales to customers outside the enterprise	$ 1,995,343	$ 522,330	$ 2,517,673
Segment operating profit	$ 108,799	$ 33,474	$ 142,273
General corporate income			335
Income from operations			$ 142,608
Identifiable assets	$ 1,434,187	$ 303,581	$ 1,737,768
Intersegment eliminations			(2,769)
Corporate assets including investments			489,041
Total assets			$ 2,224,040
Capital asset amortization	$ 71,867	$ 27,708	$ 99,575
Capital expenditures	$ 80,407	$ 39,167	$ 119,574

Notes to Consolidated Financial Statements (continued)

	FORMS	CCS	CONSOLIDATED
1995			
Total revenue	$ 2,137,930	$ 512,220	$ 2,650,150
Intersegment sales	(30,203)	(17,693)	(47,896)
Sales to customers outside the enterprise	$ 2,107,727	$ 494,527	$ 2,602,254
Segment operating profit	$ 81,076	$ 32,504	$ 113,580
General corporate income			32
Income from operations			$ 113,612
Identifiable assets	$ 1,408,987	$ 271,783	$ 1,680,770
Intersegment eliminations			(11,555)
Corporate assets including investments			566,423
Total assets			$ 2,235,638
Capital asset amortization	$ 68,126	$ 23,591	$ 91,717
Capital expenditures	$ 57,888	$ 28,717	$ 86,605
1994			
Total revenue	$ 1,970,146	$ 453,421	$ 2,423,567
Intersegment sales	(12,381)	(5,138)	(17,519)
Sales to customers outside the enterprise	$ 1,957,765	$ 448,283	$ 2,406,048
Segment operating profit	$ 100,121	$ 34,144	$ 134,265
General corporate income			998
Income from operations			$ 135,263
Identifiable assets	$ 1,303,181	$ 288,158	$ 1,591,339
Intersegment eliminations			(24)
Corporate assets including investments			440,021
Total assets			$ 2,031,336
Capital asset amortization	$ 62,780	$ 25,219	$ 87,999
Capital expenditures	$ 59,561	$ 17,453	$ 77,014

Geographic segments (in thousands)

	CANADA	UNITED STATES	EUROPE	LATIN AMERICA	ASIA PACIFIC	CONSOLIDATED
1996						
Total revenue	$ 177,812	$ 1,634,236	$ 302,398	$ 213,117	$ 198,766	$ 2,526,329
Intergeographical segment sales	(981)	(7,456)	(219)	–	–	(8,656)
Sales to customers outside the enterprise	$ 176,831	$ 1,626,780	$ 302,179	$ 213,117	$ 198,766	$ 2,517,673
Segment operating profit (loss)	$ 11,767	$ 133,940	$ (4,392)	$ (1,087)	$ 2,045	$ 142,273
General corporate income						335
Income from operations						$ 142,608
Identifiable assets	$ 139,646	$ 1,157,485	$ 230,278	$ 104,135	$ 121,191	$ 1,752,735
Intersegment eliminations						(17,736)
Corporate assets including investments						489,041
Total assets						$ 2,224,040
Capital asset amortization	$ 6,601	$ 62,848	$ 13,925	$ 7,652	$ 8,549	$ 99,575
Capital expenditures	$ 10,388	$ 69,636	$ 14,804	$ 14,219	$ 10,527	$ 119,574
1995						
Total revenue	$ 197,747	$ 1,607,288	$ 373,510	$ 243,444	$ 192,241	$ 2,614,230
Intergeographical segment sales	(906)	(11,008)	(62)	–	–	(11,976)
Sales to customers outside the enterprise	$ 196,841	$ 1,596,280	$ 373,448	$ 243,444	$ 192,241	$ 2,602,254
Segment operating profit (loss)	$ 13,293	$ 84,213	$ 3,407	$ 21,076	$ (8,409)	$ 113,580
General corporate income						32
Income from operations						$ 113,612
Identifiable assets	$ 94,506	$ 1,077,964	$ 246,101	$ 148,367	$ 108,464	$ 1,675,402
Intersegment eliminations						(6,187)
Corporate assets including investments						566,423
Total assets						$ 2,235,638
Capital asset amortization	$ 7,241	$ 54,898	$ 14,296	$ 7,409	$ 7,873	$ 91,717
Capital expenditures	$ 5,970	$ 56,791	$ 11,066	$ 8,004	$ 4,774	$ 86,605

Notes to Consolidated Financial Statements (continued)

	CANADA	UNITED STATES	EUROPE	LATIN AMERICA	ASIA PACIFIC	CONSOLIDATED
1994						
Total revenue	$ 187,190	$ 1,477,537	$ 344,414	$ 205,220	$ 204,638	$ 2,418,999
Intergeographical segment sales	(771)	(12,147)	(33)	–	–	(12,951)
Sales to customers outside the enterprise	$ 186,419	$ 1,465,390	$ 344,381	$ 205,220	$ 204,638	$ 2,406,048
Segment operating profit	$ 6,486	$ 101,016	$ 11,739	$ 11,030	$ 3,994	$ 134,265
General corporate income						998
Income from operations						$ 135,263
Identifiable assets	$ 101,966	$ 1,039,534	$ 270,899	$ 138,876	$ 117,719	$ 1,668,994
Intersegment eliminations						(77,679)
Corporate assets including investments						440,021
Total assets						$ 2,031,336
Capital asset amortization	$ 6,648	$ 52,319	$ 13,848	$ 7,795	$ 7,389	$ 87,999
Capital expenditures	$ 6,240	$ 46,438	$ 10,641	$ 5,419	$ 8,276	$ 77,014

18. LEASE COMMITMENTS (in thousands)

At December 31, 1996, long-term lease commitments require approximate future rental payments as follows:

1997	$ 52,024	2000	$ 20,062
1998	38,543	2001	13,368
1999	26,955	2002 and thereafter	10,545

19. CONTINGENCIES

At December 31, 1996, certain lawsuits and other claims were pending against the Corporation. While the outcome of these matters is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually and in the aggregate, the probable ultimate resolution of such matters will not have a material effect on the Corporation's consolidated financial statements.

20. FINANCIAL INSTRUMENTS

At December 31, 1996, the fair value of forward exchange contracts used as hedges was approximately $31,542,000 (1995 – $44,018,000). Net deferred gains and losses from these contracts were not significant at December 31, 1996.

The Corporation may be exposed to losses if the counterparties to the above contracts fail to perform. The Corporation manages this risk by dealing only with financially sound counterparties and by establishing dollar and term limitations for each counterparty.

The Corporation does not use derivative financial instruments for trading purposes.

21. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The continued registration of the common shares of the Corporation with the Securities and Exchange Commission (SEC) and listing of the shares on the New York Stock Exchange require compliance with the integrated disclosure rules of the SEC.

The accounting policies in Note 1 and accounting principles generally accepted in Canada are consistent in all material aspects with United States generally accepted accounting principles (GAAP) with the following exceptions.

Pensions
Under Canadian GAAP, the discount rate is a long-term based interest rate, whereas under United States GAAP, the discount rate reflects an interest rate at which the pension obligation could effectively be settled at the previous year end date. Prior to 1996, these discount rates were the same; however, the discount rates used at December 31, 1996 under United States GAAP for Canada and the United States were 7.5% and 7.8%, respectively.

Postretirement benefits other than pensions (SFAS No. 106)
SFAS No. 106 requires that the expected costs of the employees' postretirement benefits be expensed during the years that the employees render services, whereas under Canadian GAAP the Corporation recognizes the cost of these benefits as an expense as incurred (see Note 12).

Income taxes (SFAS No. 109)
SFAS No. 109 requires a liability method under which temporary differences are tax effected at current tax rates, whereas under Canadian GAAP, timing differences are tax effected at the rates in effect when they arise.

Earnings per share
Under United States GAAP, the average shares outstanding is the sum of the weighted average number of shares outstanding during the period plus the common share equivalents of the executive stock option plan.

Stock compensation (SFAS No. 123)
SFAS No. 123 requires proforma disclosures of net income and earnings per share, as if the fair value based method of accounting for employee stock options had been applied. The Corporation adopted SFAS No. 123 effective January 1, 1996 for options granted starting in 1995. Compensation cost is based on the fair value of the award using the Black-Scholes option-pricing model. The disclosures in the table show the Corporation's net income and earnings per share after including the effect of the compensation cost.

The following table provides information required under United States GAAP:

(in thousands, except per share amounts)	1996	1995	1994
Net earnings as reported	$ 149,923	$ 267,501	$ 121,400
Pensions:			
Increased pension expense	(13,110)	–	–
Reduced income taxes	5,183	–	–
	(7,927)	–	–
Postretirement benefits other than pensions:			
Increased postretirement benefits	(5,073)	(4,417)	(4,999)
Reduced income taxes	1,992	1,735	1,899
	(3,081)	(2,682)	(3,100)
Income taxes:			
Net (increase) decrease in deferred tax provision	(17,297)	(13,611)	3,300
Net earnings determined under United States GAAP	$ 121,618	$ 251,208	$ 121,600
Primary and fully diluted earnings per share	$ 1.22	$ 2.51	$ 1.22
Average shares outstanding (in thousands)	100,086	100,005	99,695
Cash flow disclosures:			
Interest paid	$ 12,070	$ 11,608	$ 13,601
Income taxes paid*	99,689	16,449	20,658

**In 1996, $80,057 was included in investing activities that would have been included in operating activities per SFAS No. 95.*

Notes to Consolidated Financial Statements (continued)

Proforma stock compensation disclosures (in thousands, except per share amounts)

	1996	1995
Net earnings	$ 120,614	$ 250,750
Primary and fully diluted earnings per share	$ 1.21	$ 2.51
Assumptions:		
Risk-free interest rates	7.3%	8.0%
Expected lives (in years)	6	6
Dividend yield	4.9%	4.9%
Volatility	22.6%	23.0%

Balance sheet items as at December 31 (in thousands)

	1996		1995	
	AS REPORTED	US GAAP	AS REPORTED	US GAAP
Net pension liability (asset)	$ (9,634)	$ 3,927	$ 20,745	$ 20,745
Postretirement benefit cost liability	–	440,452	–	436,002
Net deferred income taxes liability (asset)	34,609	(142,072)	16,656	(165,974)
Retained earnings	1,243,714	957,016	1,187,974	929,581

The following data is based upon the report from independent consulting actuaries as at December 31:

	1996	1995
Accrued postretirement benefit cost (in thousands)		
Retirees	$ 197,467	$ 179,165
Fully eligible active plan participants	1,410	1,965
Other active plan participants	96,576	121,244
Accumulated postretirement benefit obligation	295,453	302,374
Unrecognized prior service credit	145,708	134,117
Unrecognized net loss	(709)	(489)
Accrued postretirement benefit cost	$ 440,452	$ 436,002
Postretirement benefit cost (in thousands)		
Current service cost	$ 5,601	$ 5,755
Interest cost	22,434	23,381
Amortization of unrecognized prior service credit	(9,572)	(9,168)
Net postretirement benefit cost	$ 18,463	$ 19,968

Assumptions and other information

	1996	1995
Weighted average discount rate	7.7%	7.0%
Weighted average health care cost trend rate		
Before age 65	9.9%	10.8%
After age 65	8.7%	8.9%
The general trend in the rate thereafter is a reduction of 0.7% per year.		
Weighted average ultimate health care cost trend rate	5.3%	5.3%
Year in which ultimate health care cost trend rate will be achieved		
Canada	2004	2004
United States	2002	2000
The following is the effect of a 1% increase in the assumed health care cost trend rates for each future year on: (in thousands)		
(a) Accumulated postretirement benefit obligation	$ 16,422	$ 17,285
(b) Aggregate of the service and interest cost components of net postretirement benefit cost	1,338	1,414

The following table shows the main items included in deferred income taxes under United States GAAP:

Deferred income taxes (in thousands)

	1996	1995
Assets:		
Postretirement benefits other than pensions	$ 173,882	$ 172,134
Tax benefit of loss carryovers	49,632	52,978
Pensions	19,702	21,821
Restructuring costs	4,641	13,659
Other	19,089	18,182
	266,946	278,774
Valuation allowance	(28,671)	(19,618)
	238,275	259,156
Liabilities:		
Depreciation	67,257	69,408
Pensions	18,029	15,595
Other	10,917	8,179
	96,203	93,182
Net deferred income taxes	$ 142,072	$ 165,974

22. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

Comparative figures have been restated where appropriate to conform to the current presentation.

Management Report

All of the information in this annual report is the responsibility of management and has been approved by the Board of Directors. The financial information contained herein conforms to the accompanying consolidated financial statements, which have been prepared and presented in accordance with accounting principles generally accepted in Canada and necessarily include amounts that are based on judgments and estimates applied consistently and considered appropriate in the circumstances.

The Corporation maintains a system of internal control which is designed to provide reasonable assurance that assets are safeguarded, that accurate accounting records are maintained, and that reliable financial information is prepared on a timely basis. The Corporation also maintains an internal audit department that evaluates and formally reports to management and the Audit Committee on the adequacy and effectiveness of internal controls.

The consolidated financial statements have been audited by the Corporation's independent auditors, Price Waterhouse, and their report is included below.

The Audit Committee of the Board of Directors is composed entirely of outside directors and meets quarterly with the Corporation's independent auditors, management, and the Director of Internal Audit to discuss the scope and results of audit examinations with respect to internal controls and financial reporting of the Corporation.

R. Braun
Chairman, President and
Chief Executive Officer

S.A. Holinski
Senior Vice President
and Chief Financial Officer

February 12, 1997.

Auditors' Report

To the Shareholders of Moore Corporation Limited:

We have audited the consolidated balance sheets of Moore Corporation Limited as at December 31, 1996 and 1995 and the consolidated statements of earnings, retained earnings and cash flows for each of the three years in the period ended December 31, 1996. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1996 and 1995 and the results of its operations and the changes in its cash flows for each of the three years in the period ended December 31, 1996 in accordance with generally accepted accounting principles.

Price Waterhouse
Chartered Accountants, Toronto, Canada

February 12, 1997.

Eleven-Year Summary

Expressed in United States currency and, except per share amounts, in thousands of dollars

Income Statistics	1996	1995	1994	1993	1992
Sales	$ 2,517,673	$ 2,602,254	$ 2,406,048	$ 2,331,796	$ 2,432,998
Income (loss) from operations	142,608	113,612	135,263	(97,223)	24,258
Per dollar of sales	5.7¢	4.4¢	5.6¢	(4.2)¢	1.0¢
Income tax expense (recovery)	48,570	123,738	43,853	(18,796)	25,757
Percent of pre-tax earnings	24.4%	31.6%	26.4%	(19.8)%	100.7%
Net earnings (loss)	149,923	267,501	121,400	(77,606)	(2,327)
Per dollar of sales	6.0¢	10.3¢	5.0¢	(3.3)¢	(0.1)¢
Per common share	$ 1.50	$ 2.68	$ 1.22	$ (0.78)	$ (0.02)
Dividends	94,183	93,784	93,567	93,521	93,108
Per common share	94¢	94¢	94¢	94¢	94¢
Earnings retained in (losses and dividends funded by) the business	55,740	173,717	27,833	(171,127)	(95,435)
Balance sheet and other statistics					
Current assets	$ 1,369,579	$ 1,449,722	$ 1,009,714	$ 1,010,441	$ 1,063,144
Current liabilities	485,739	541,730	446,608	451,011	352,491
Working capital	883,840	907,992	563,106	559,430	710,653
Ratio of current assets to current liabilities	2.8:1	2.7:1	2.3:1	2.2:1	3.0:1
Property, plant and equipment (net)	603,750	572,008	607,096	617,341	655,665
Long-term debt	53,811	71,512	77,495	67,608	59,718
Ratio of debt to equity	0.0:1	0.1:1	0.1:1	0.1:1	0.0:1
Shareholders' equity	1,549,819	1,488,170	1,365,174	1,312,896	1,475,508
Per common share	$ 15.49	$ 14.90	$ 13.71	$ 13.19	$ 14.83
Total assets	2,224,040	2,235,638	2,031,336	1,974,032	2,020,715
Average number of shares outstanding*	99,967	99,754	99,538	99,487	99,045
Number of shareholders of record at year-end	6,901	7,236	7,317	7,644	8,440
Number of employees	18,849	18,771	19,890	22,014	23,124

in thousands

Quarterly Financial Information

Expressed in United States currency and, except per share amounts, in thousands of dollars (unaudited)

	1996				1995			
	4th QUARTER	3rd QUARTER	2nd QUARTER	1st QUARTER	4th QUARTER	3rd QUARTER	2nd QUARTER	1st QUARTER
Sales	$ 664,591	$ 618,591	$ 593,499	$ 640,992	$ 693,813	$ 629,477	$ 629,550	$ 649,414
Cost of sales	426,300	400,375	388,042	429,559	478,755	432,880	427,102	427,934
Income from operations	42,295	36,069	28,988	35,256	33,615	12,624	28,856	38,517
Net earnings	42,289	41,647	36,469	29,518	22,432	30,153	33,452	181,464
Per common share	$ 0.42	$ 0.42	$ 0.36	$ 0.30	$ 0.22	$ 0.30	$ 0.34	$ 1.82
Net earnings based on United States generally accepted accounting principles (Note 21)	29,909	35,895	29,319	26,495	17,428	29,917	27,099	176,764
Per common share	$ 0.30	$ 0.36	$ 0.30	$ 0.26	$ 0.17	$ 0.30	$ 0.27	$ 1.77

1991	1990	1989	1988	1987	1986
$ 2,492,278	$ 2,769,596	$ 2,708,406	$ 2,544,019	$ 2,281,493	$ 2,114,313
111,833	179,864	282,073	253,544	239,636	244,626
4.5¢	6.5¢	10.4¢	10.0¢	10.5¢	11.6¢
47,922	74,030	98,269	87,460	105,171	113,311
35.0%	37.8%	32.7%	31.7%	41.7%	44.7%
88,074	120,629	201,721	185,996	146,386	109,613
3.5¢	4.4¢	7.4¢	7.3¢	6.4¢	5.2¢
$ 0.91	$ 1.27	$ 2.15	$ 2.01	$ 1.60	$ 1.21
91,215	89,539	82,609	72,245	67,807	65,216
94¢	94¢	88¢	78¢	74¢	72¢
(3,141)	31,090	119,112	113,751	78,579	44,397
$ 1,096,062	$ 1,181,316	$ 1,150,833	$ 1,107,920	$ 1,254,026	$ 912,747
332,979	411,349	375,581	350,021	549,653	332,721
763,083	769,967	775,252	757,899	704,373	580,026
3.3:1	2.9:1	3.1:1	3.2:1	2.3:1	2.7:1
696,390	679,275	590,183	506,457	485,154	443,197
75,045	94,494	40,267	61,936	100,462	50,523
0.1:1	0.1:1	0.0:1	0.1:1	0.1:1	0.1:1
1,584,780	1,537,671	1,440,966	1,292,407	1,167,716	1,000,818
$ 16.21	$ 16.05	$ 15.27	$ 13.89	$ 12.69	$ 11.01
2,134,436	2,205,043	2,008,319	1,847,603	1,939,341	1,487,839
97,028	95,245	93,860	92,603	91,622	90,575
8,670	8,903	9,683	11,225	12,864	13,434
23,556	25,021	26,359	25,943	26,480	27,070

Distribution of Revenue

	1996	1995	1994
Sales and investment and other income	100.0%	100.0%	100.0%
Used as follows:			
Wages, salaries and employee benefits	33.2%	28.8%	35.8%
Materials, supplies and services	54.7	54.0	52.9
Capital asset amortization	3.9	3.2	3.6
Income, property and other taxes	2.4	4.6	2.6
Unrealized exchange adjustments	–	0.1	0.2
Dividends	3.6	3.3	3.8
Earnings retained in the business	2.2	6.0	1.1

Statement of Corporate Governance Practices

The Board of Directors of Moore assumes ultimate responsibility for the stewardship of the Corporation and carries out its mandate directly and through its Committees.

At regularly scheduled and special meetings, the Board of Directors reviews and approves strategic, financial, operational and succession plans for Moore, assesses principal risks facing the Corporation and receives reports and considers recommendations from the Committees of the Board and management. The Board of Directors approves annual and interim financial statements and all legally required public disclosure documents containing financial information. Transactions involving amounts in excess of $20 million are brought to the Board for review and approval. The Board of Directors met eight times in 1996.

At least one directors' meeting each year is held at a site other than the Corporation's head office, to allow the directors to better understand Moore's business. In 1996, a meeting was held in Chicago where the directors also attended a product launch and a reception with customers.

The Board of Directors currently has ten members who are elected annually by shareholders. All directors other than Reto Braun, the Chairman and CEO, are unrelated (within the meaning of that term in the 1994 Report of The Toronto Stock Exchange Committee on Corporate Governance in Canada). All Board Committee members are unrelated directors. A Board-appointed Pension Investment Committee includes Mr. Braun as a member.

Board discussions are held from time to time without Mr. Braun or other members of management present. The Corporate Governance Committee has implemented a process for evaluating the effectiveness of the Board. The directors have confidence that the information provided by management is accurate and sufficient to allow the Board of Directors to carry out its mandate. Directors may engage outside advisers at the expense of the Corporation with approval from the Chair of the Corporate Governance Committee.

Three new directors were identified by the Corporate Governance Committee and subsequently appointed to the Board in 1996. Orientation for new directors includes meetings with senior management focusing on strategic direction, financial matters and business operations.

The Board reviews and approves communications of a regulatory nature prior to mailing to shareholders. Shareholder and investor inquiries are handled promptly by or under the direction of the appropriate officer of the Corporation. Regular meetings are held by management with investors. Moore has adopted a confidential tabulation of shareholder proxies policy.

All Committees report and make recommendations to the Board on matters reviewed. Each Committee, (other than the newly-formed Pension Investment Committee), met four times in 1996. Following is a brief description of each Committee.

AUDIT COMMITTEE

The principal duties of the Audit Committee are to review annual and interim financial statements and all legally required public disclosure documents containing financial information prior to their approval by the directors; review the planned scope of the examination of the annual consolidated financial statements by the external auditors of the Corporation and review the adequacy of the systems of internal accounting and audit controls established by the Corporation.

CORPORATE GOVERNANCE COMMITTEE

The principal duties of the Corporate Governance Committee are to review matters relating to effective corporate governance including director recruitment, performance, compensation and board composition.

ENVIRONMENT, HEALTH AND SAFETY COMMITTEE

The principal duties of the environment, health and safety committee are to review matters relating to the Corporation's environment, health and safety policies including monitoring compliance with the policies and reviewing responses to any related incidents.

MANAGEMENT RESOURCE COMMITTEE

The principal duties of the management resource committee are to review matters related to executive recruitment, performance, compensation, resignations, terminations and organization planning.

PENSION INVESTMENT COMMITTEE

The principal duties of the pension investment committee are to review matters relating to the supervision of the investment and administration of assets of Moore's pension and savings plans.

DIRECTORS

The following persons will be nominated as directors at the 1997 Annual Meeting of Shareholders

Reto Braun
Lake Forest, Illinois
Director since 1993
Chairman of the Board,
President and
Chief Executive Officer

Derek H. Burney, O.C.
Montreal
Director since 1993
Chairman, President and
Chief Executive Officer
Bell Canada International Inc.

Shirley A. Dawe
Toronto
Director since 1989
President
Shirley Dawe Associates Inc.

Arden R. Haynes, O.C.
Toronto
Director since 1987
Corporate Director

Richard J. Lehmann
Columbus, Ohio
President and
Chief Operating Officer
Banc One Corporation

Jeanette P. Lerman
New York
Director since 1995
Vice President,
Corporate Communications
Time Warner Inc.

Carl E. Lindholm
Gulfport, Florida
Director since 1985
Corporate Director

Brian M. Levitt
Montreal
Director since 1996
President and
Chief Executive Officer
Imasco Limited

John T. Mayberry
Burlington, Ontario
Director since 1996
President and
Chief Executive Officer
Dofasco Inc.

J. Robert S. Prichard, O.C.
Toronto
Director since 1996
President,
University of Toronto

RETIREMENTS

The Board of Directors wishes to thank James D. Farley and Cedric E. Ritchie, O.C. for their contribution during their tenure as directors.

HONORARY DIRECTORS

John D. Allan
David W. Barr
Edward H. Crawford
James D. Farley
M. Keith Goodrich
L. Edward Grubb
Edwin H. Heeney
Joseph B. McArthur
Cedric E. Ritchie, O.C.
Judson W. Sinclair

Corporate Officers and Operating Management

Reto Braun ■▲
Chairman of the Board,
President and
Chief Executive Officer

William C. Lowe ■▲
Executive Vice President
and President,
N.A. Business Systems

Stephen A. Holinski ■▲
Senior Vice President and
Chief Financial Officer

Wayne K. Adams ■▲
President, Latin America

Charles E. Buchheit ■▲
President, Integrated Customer
Solutions

Charles F. Canfield ■▲
Vice President,
Human Resources

Roy S. Clements ■▲
President, Asia Pacific

Joseph M. Duane ■▲
Vice President,
Corporate Development
and General Counsel

George H. Gilmore Jr. ■▲
President,
Moore Document Solutions

Christian J. Hipp ■
Vice President,
Research and Corporate
Environmental Officer

Clive W. Ingham ■▲
President, Europe

Russell I. Johnson ■▲
Vice President,
Procurement

Hilda A. Mackow ■▲
Vice President,
Communications

Thomas J. McKiernan ■▲
President, Customer
Communication Services

Joan M. Wilson ■▲
Vice President and
Secretary

James D. Wyner ■▲
President, Labels and
Label Systems

CORPORATE STAFF

Arthur N. Mitchell ▲
Vice President and
Controller

Shoba Khetrapal ▲
Vice President and
Treasurer

Charles J. Evans ▲
Vice President,
Taxation

Roger A. Lewis
Director,
Internal Audit

■ Executive Committee
▲ Corporate Officer

MAJOR BUSINESS UNIT MANAGEMENT

Gary W. Ampulski
President, Business
Communications Services

Edward C. Davies
Managing Director
Australia

Mark W. Kilgore
President, Moore
Graphic Services

Francisco A. Itzaina
Managing Director
Brazil

Stephen Walker
President,
Moore Canada

Don Pierre Pompei
General Manager,
France

Richard M. Zagorski
President, Response
Marketing Services

Shareholder Information

CORPORATE OFFICE

Moore Corporation Limited, 1 First Canadian Place, P.O. Box 78, Toronto, Ontario, M5X 1G5.
Telephone: (416) 364-2600 Facsimile: (416) 364-1667 Internet: http://www.moore.com

STOCK EXCHANGE LISTINGS

Stock Symbol: MCL CUSIP No: 615785 10 2 Markets: Toronto, Montreal, New York.

The common shares of the Corporation are also included in the Toronto 35 Index, the Toronto 100 Index, the TSE 300 Composite Index and the Standard and Poor's 500 Index.

MARKET PRICE OF COMMON SHARES

The following table sets forth the high and low prices of the common shares of the Corporation on the Toronto, Montreal and New York Stock exchanges.

	THE TORONTO STOCK EXCHANGE (C$)		MONTREAL EXCHANGE (C$)		NEW YORK STOCK EXCHANGE (US$)	
1996	HIGH	LOW	HIGH	LOW	HIGH	LOW
1st quarter	27.625	23.625	27.625	23.625	20.125	17.375
2nd quarter	26.500	24.500	26.875	24.500	19.500	18.125
3rd quarter	27.250	23.500	27.100	23.500	19.875	17.000
4th quarter	29.500	25.100	29.500	25.150	22.125	18.500
1995						
1st quarter	27.500	24.500	27.375	24.625	19.625	17.500
2nd quarter	32.250	25.375	32.250	25.375	23.375	18.500
3rd quarter	32.000	27.000	32.000	27.000	23.500	20.000
4th quarter	27.375	23.875	27.375	23.875	20.375	17.500

DIVIDENDS

In 1996, the Corporation paid a dividend of 23½¢ (U.S.) each quarter. Subject to formal declaration by the Board of Directors, dividend record and payment dates for the next four dividends will be as follows:

Record Date	Payment Date
March 7, 1997	April 1, 1997
June 6, 1997	July 2, 1997
September 5, 1997	October 1, 1997
December 5, 1997	January 2, 1998

Dividends are declared in United States dollars. Shareholders have the option of receiving dividends in equivalent Canadian funds or participating in the Dividend Reinvestment and Share Purchase Plan. The Dividend Reinvestment Option allows shareholders to have their cash dividends reinvested to acquire additional shares. The Share Purchase Option allows shareholders to purchase shares by making cash payment of not less than $50 (Cdn.) and not more than $5,000 (Cdn.) in each quarter.

Withholding taxes at the rate of 25% are imposed on the payment of dividends to non-residents of Canada. Under the present Canada/United States tax treaty, such rate is generally reduced to 15%.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common shares of the Corporation is The R-M Trust Company at its offices in Montreal, Toronto, Winnipeg, Calgary and Vancouver. The co-transfer agent and registrar is ChaseMellon Shareholder Services in New York.

SHAREHOLDER ACCOUNT INQUIRIES

The R-M Trust Company operates a telephone information enquiry line that can be reached by dialing toll-free 1-800-387-0825 or (416) 813-4600. Correspondence may be addressed to:

Moore Corporation Limited,
c/o The R-M Trust Company,
393 University Avenue, 5th Floor,
Toronto, Ontario M5G 2M7.

INVESTOR RELATIONS

Institutional and individual investors seeking financial information about the company are invited to contact Shoba Khetrapal, Vice President and Treasurer at the Corporate Office.

FORM 10-K / ANNUAL INFORMATION FORM

The Annual Report on Form 10-K is filed with the United States Securities and Exchange Commission and with the Canadian Securities Commissions as the Annual Information Form. It is available without charge by contacting the Corporate Communications Department.

This Annual Report is printed on recycled paper containing post-consumer waste, with environmentally friendly vegetable inks.

Printed in Canada

Moore is the leading global partner helping companies communicate through print and digital technologies.

MOORE®

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